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Editorial AS WE SEE IT

All of us in this country are quite accustomed to hear half-truths, fuzzy generalizations, and wholly incredible claims issue from the mouths of candidates for political office. We have grown to feel that such speakers should be permitted a rather sweeping "poetic license." Few of us have, therefore, been particularly disturbed by the often somewhat absurd statements being made in the Presidential campaign now getting under way. It seems to us, however, that Senator Kennedy the other day stepped rather over the line of permissible foolishness, the more so since what he had to say was so artfully designed to influence the working men and women of this country—influence them by a means and in a direction neither of which can well be defended by any reasonable standard.

We refer to the Labor Day address delivered by the candidate in the city of Detroit. The flexible standard of sensibleness and good faith allowed candidates extends, of course, to their use of statistics. In point of fact so many unwarranted conclusions are being constantly drawn from sets of figures themselves often seriously in question that ordinarily we should feel much inclined to pass over the imaginative inferences of candidates for political office, but when a gentleman who would have us place him in the highest office of the land has the effrontery or naivete (whichever it is) to tell us that "with an average rate of growth in this country every working man in the last eight years would have received $7,000 more than he has received," the time has come to call a halt. It would in a sense be interesting to know how Senator Kennedy's statisticians came up with any specific figure of this sort—just as it would be interesting to know how so many mathematical neophytes of the past came to suppose that they had found a way to trisect an angle or to square a circle.

Statistical Nonsense

No one who has cut his eyeteeth would take the trouble to study the methods by (Continued on page 28)

Achieving Real Economic Growth Without Losing Our Way of Life

By James F. Oates, Jr.,* *President, The Equitable Life Assurance Society of the U. S., New York City*

In agreeing that economic growth will require more Federal spending, Mr. Oates specifies the kind of spending it should consist of and says it should be coupled with cuts in wasteful, non-essential programs. Growth is said to require tangible investments embodying new, modernized plant and equipment as well as intangible investments in education, research and development. He calls for a reorientation of Federal tax policy to encourage savings and investments.

Growth is a fact of life. It is, indeed, a requirement of life. Children are appraised in terms of physical and mental development. Mature men and women soon realize that the brain is a muscle and must be exercised so that it may grow in perception and power. All of humanity has been enjoined by the Divine Being to grow in spiritual motivation, in comprehension of brotherly love (and oh—how much this is needed) and in the service of the Kingdom of God.


James F. Oates, Jr.

We know in the busy streets of daily life that all living organisms must either grow or slowly perish. This is particularly true of the secular institutions conceived and built by man, such as the State, and the business corporation. In this shrinking world of instant communication and easy access, people are multiplying rapidly and they know more about how to live and how to kill than ever before. In this setting the monolith Russia has raised on high the ugly and age-old challenge of materialism, the flaming faith in the dictatorship of the proletariat and the passionate declaration of war (cold and hot) against the dignity and sanctity of the individual man.

If we are to succeed in meeting this challenge, we must, of course, be strong; strong in faith, courage and determination, as well as in the full range of military and economic power.

I invite attention to an indispensable ingredient of power; namely growth—economic growth—and as to what measures should be taken by our nation to assure the continuation of such growth.

Some of the proposals offered for accelerating our growth rate demand with vigor and considerable persuasiveness an enlarged role for the Federal Government. Many who oppose this view think that such expansion would lead to an obnoxious increase in the Federal Government's direction and control over our way of life and thus threaten the sanctity of individual freedom. The attendant controversy has divided our people, has stirred them to heated political debate, and has called for a basic re-examination of our deepest convictions and attitudes with respect to the role of government in a free enterprise system.

The controversy over how to achieve a faster growth rate is timely, real and important. It is one which we should all take seriously — for the solution we choose may well be one of the most critical decisions we shall ever be called upon to make in our lifetime. But in seeking a solution, let us remember that growth is a means to an end and not the end itself. Economic opportunity for all, the dignity and rights of a free man, the enlargement and ennoblement of an individual's life purpose—these are the real goals to be sought by society. These are, therefore, the true objectives of economic growth. We can not destroy such objectives in the name of achieving economic growth.

As we review the record of these recent decades there is a noticeable drift (Continued on page 28)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 32.

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Tex-Star Oil & Gas Corp.—Samuel Weinberg, President, S. Weinberg, Grossman & Co., Inc., New York City. (Page 2)

Uris Buildings Corporation—Alan L. Greene, Partner, David J. Greene & Co., New York City. (Page 2)

SAMUEL WEINBERG

President, S. Weinberg, Grossman & Co., Inc., New York City

Members N. Y. Security Dealers Association, Inc., New York City

Tex-Star Oil & Gas Corp.

In the intensified search for outstanding securities in this stock market of 1960, the common stock of Tex-Star Oil & Gas Corp. represents an equity with high potential for appreciation.

Samuel Weinberg

This fast-growing company has two main avenues to profitable operations: oil and gas production and a remunerative interest in a gas gathering system and a gas by-products plant. With the introduction of the present management late in the 1957 fiscal year, operations rapidly surged out of the doldrums that had prevailed since the company commenced activities in 1956. Under this new and extremely capable leadership, sharp improvements have been registered and further gains are confidently forecast.

Tex-Star Oil & Gas recorded a net income of $149,626 in the fiscal year ended Aug. 31, 1958 and doubled that amount in fiscal 1959 when net income totaled $299,326. The 1960 fiscal year—which ended Aug. 31—was another success period for the company, with net income estimated to have been in the $550,000 to $600,000 range. Prospects are good for a net of $800,000 to $1,000,000 in fiscal 1961.

The company's revenue history has also followed a steady upward path. Total revenues of $347,100 in fiscal 1958 compared with $117,800 the year before. Revenues mounted to $609,400 in the 1959 fiscal year and undoubtedly exceeded $1,100,000 in fiscal 1960.

Traded in the Over-the-Counter Market, Tex-Star Oil & Gas at recent bid of 19 was selling about 17 times anticipated 1960 net income of approximately $1.10 a share (based on about 515,000 shares, estimated to be the weighted average number outstanding during the year).

Indicative of management's excellence are the high profit ratios being realized. Cash earnings of $538,300 in the nine months through May 31, 1960 were equal to 75% of gross revenues, and net income of $406,000 in the same period was equal to 57% of gross.

For the same nine months, gains of 55% in revenues, 66% in cash earnings and 78% in net income were reported over the corresponding period of fiscal 1959.

The success formula which is working so well for Tex-Star Oil & Gas is based mainly on developing the gas aspects of the business—production, gathering and by-products.

The natural gas industry has vast growth prospects as the demand for its product is practically insatiable. The ability of the management of Tex-Star Oil & Gas to recognize favorable opportunities promptly and capitalize upon them to the utmost has been amply proven.

The pattern that is developing at Tex-Star has been previously exploited with outstanding results by a larger company, Coastal States Gas Producing Company, with which Tex-Star is associated in several ventures.

A significant joint project is the Carancahua Bay Gas Gathering System, which is 20% owned by Tex-Star and 75% by Coastal States. An important extension to this system was completed in the spring of this year. In addition to gas gathering activities, the Carancahua Bay Gas Gathering System owns a 40% interest in a plant that extracts liquid hydrocarbons from the natural gas delivered through the system.

Tex-Star's revenues from this system and the extraction plant climbed from $70,400 in all of fiscal 1959 to $171,500 in the nine months ended May 31, 1960.

Tex-Star and Coastal States can well be expected to join in other advantageous ventures in the future. Coastal States consistently has been the biggest purchaser of Tex-Star's gas.

Tex-Star adheres to a policy of drilling proven and semi-proven prospects rather than engaging in wildcatting to any appreciable extent. This practice has resulted in a superior drilling record. The company had an interest in the drilling of 22 wells in fiscal 1959, of which 18 were completed for a total of 32 separate producing zones. This represents an 82% rate of success.

The most active drilling operations of the company in recent months have been in the Magnolia Beach field in Calhoun County on the Texas Gulf Coast, where seven wells are now completed and additional drilling is under way.

In addition to discovering valuable new reserves, the company's drilling program serves the further function of generating intangible development charge-offs that are sufficient to completely offset tax liabilities which otherwise might be incurred.

Last June, Tex-Star Oil & Gas made an important acquisition when it purchased Surry Oil & Gas through the exchange of 100,200 common shares of Tex-Star Oil & Gas (selling at about $15 a share at that time). Surrey's reserves and undeveloped leases were attractive to Tex-Star Oil & Gas which has the financial resources and technical know-how to develop these assets profitably over the near-term. There is no doubt that, as a result of the merger, Tex-Star Oil & Gas has strengthened its position.

An estimate of Tex-Star Oil & Gas' proven reserves, made as of Aug. 31, 1959 by Ira Brinkerhoff, an independent oil and gas consultant, showed the following: natural gas, 37,423,300 MCF; condensate, 682,900 bbls.; crude oil, 222,700 bbls.; and liquefied petroleum gas, 200,500 bbls.

The company's own drilling program, plus the Surrey acquisition, have boosted total reserves substantially since a year ago.

Long-term debt of Tex-Star Oil & Gas at May 31, 1960 was $1,213,500, consisting of 6% convertible subordinated debentures due 1974. There were 508,719 common shares of $1 par value then outstanding (subsequent to May 31, 100,200 common shares were reserved for former holders of Surrey Oil & Gas Corp.) Other capital items at the end of May were paid-in surplus of $826,665 and retained earnings of $679,875.

Since the end of May, approximately $125,000 of debentures have been converted into about 15,625 shares of common. There are approximately 136,000 common shares reserved for further debenture conversions.

As it is the policy of the company to reinvest all earnings, no cash dividends can be expected in the foreseeable future.

Attesting to the popularity of the shares, the total of Tex-Star Oil & Gas stockholders has multiplied from 385 at the end of fiscal 1959 to about 1,600 as of Aug. 31, 1960.

The strong prospect of an $800,000 to $1,000,000 net income in fiscal 1961 is based primarily on greater gas production and expanding revenues from the enlarged Carancahua System and extraction plant.

With the outlook solidly indicating a continuation of past trends in earnings, Tex-Star Oil & Gas is to me an unusual growth situation with a high degree of attraction.

ALAN I. GREENE

Partner, Davis J. Greene & Co., New York City

Members New York Stock Exchange

Uris Buildings Corporation

A security which appears to me to offer outstanding value is the common stock of Uris Buildings Corporation. Headed by Percy and Harold D. Uris, this organization is universally acknowledged to be one of the finest in the real estate field.

Alan I. Greene

Since the war, the record of the Uris brothers as developers and builders of prime office space has probably been unsurpassed. They have accounted for 14% of the office space constructed in Manhattan alone in the years 1947 to 1959.

Uris Buildings Corporation was formed in early 1960 to merge various Uris real estate holdings and marks the first time that outside investors have been able to participate in this outstanding real estate operation. The decision of the Uris brothers and their associates to obtain public participation reflected a desire to raise new capital for expansion of operations, as well as estate tax considerations. Now, investors have an extraordinary opportunity to take part in the Uris operation on very favorable terms, and at a substantial discount from underlying appraisal values.

The creation of values by the Uris organization rests on its ability to construct buildings which upon completion have appraised values far above their cost. Reduced to simple terms, the

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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.)

Outlook for Rebuilding Savings via Life Insurance

By Dr. James J. O'Leary*, *Director of Economic Research, Life Insurance Association of America, New York City.*

In directing the life insurance industry's attention to the "great opportunity" now present to reverse the slowing down in the flow of life insurance savings, Dr. O'Leary explains why "there is no reason today for . . . [being] backward about selling permanent cash value contracts." The insurance industry's economist probes the reasons for decline in savings through life insurance medium; discusses the implications of this for economic growth; and deplores attempt to force faster economic growth through expanded Government spending and easy money.

It will perhaps be helpful to have a brief review, at the beginning, of the points I shall endeavor to bring about. These are, as follows: (1) During the past 60 years the American economy has enjoyed an unparalleled expansion; (2) This has also been a period of spectacular growth of the life insurance business, as measured by the accumulation of saving through life insurance;

James J. O'Leary

(3) The productive investment of life insurance savings has contributed enormously and in many ways to the economic growth of the country; (4) In the past several years, however, the pace of saving through life insurance has slowed noticeably, for various reasons that will be discussed; (5) This slowing down in the flow of saving through life insurance has grave implications at a time in which the United States sorely needs an accelerated rate of economic growth financed soundly out of a rising rate of saving by the American people; (6) To play its part in faster-growing national economy, our business now has the responsibility to redouble its efforts to sell life insurance as a means of saving by the American people. It also has been the responsibility to play a more effective role in combatting inflationary policies.

The Economic Growth of the United States

In beginning our consideration of the role of life insurance in an expanding economy, it will be useful first to review briefly the economic growth of the country in the past several decades. For lack of a better measuring rod, the economist employs the annual estimates which have been developed of the gross national product of the United States. The term "gross national product" simply means the dollar value of all the goods and services produced in the national economy during a given year.

Fifty years ago, in 1909, the GNP of the U. S., measured in terms of the value of the dollar in 1959, amounted to about $117 billion. By last year, GNP had risen to $480 billion. In other words, during this half century the total value of goods and services produced annually in our national economy, as measured in terms of a dollar corrected for changes in the general price level, rose over 400%. On the average during this period the annual rate of increase in our national output (again in constant dollars) was about 3% compounded annually. Because of the increase in our population during the past 50 years the rise of GNP on a per capita basis was considerably slower. Again in terms of the 1959 value of the dollar, GNP per capita rose from about $1,295 in 1909 to $2,700 in 1959. In other words, GNP per capita just about doubled during this period, with the annual rate at about 1.5% compounded.

Despite current concern that our national economy is not growing fast enough, the record of our growth during the past half century has been unparalleled in any other free society. It has been a remarkable achievement. How can we explain the capacity of the American economy to grow so vigorously when growth has been so slow in most other countries? There are, of course, many reasons, most the most obvious being the abundant natural resources we possess. High on the list is the fact that we have been blessed with a highly stable system of Federal, State, and local government which has provided a favorable environment for economic growth. Our economic system has encouraged individual initiative and the desire to get ahead. It has encouraged inventiveness and innovation, risk-taking, and the spirit of competition, which are the driving forces of economic growth.

Perhaps most important, the American economy has grown rapidly because the American people have been willing and able to save a substantial part of their income each year and make it available for the production of capital goods. The heart of the process of economic growth in our economy has been the availability of savings to finance the expansion of our productive capacity. Economists who have studied the growth of this country are agreed that the basic factor restricting growth has been the limited supply of saving.

A highly important key to the economic growth of the United States has, therefore, been our capacity to develop means of saving by the people which have pro-

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*Mr. May is making an on-the-scene study of economic and political conditions in South Africa.

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The Gillette Company

By Dr. Ira U. Cobleigh, Enterprise Economist

Viewing the stock of a company famous for its mass production, extensive advertising, world-wide merchandising, repeat sales, and high returns on invested capital.

Except for an occasional Castro or Hemingway and the current spate of beatniks, bearded laddies are almost as rare in our affluent society as bearded ladies. Importantly responsible for this smooth-shaven appearance of mankind, is the Gillette Company which, in 1959, produced over 2½ billion blades for American shaves, and sold more than 3 billion blades in 119 foreign countries, including all the "Free World" and several curtained countries as well. That's a lot of blades and Gillette is quite a company. It sells two-thirds of all the razor blades bought in the United States and Canada and has increased (by about three-quarters of 1% annually) its share of the domestic market since the end of World War II. Three product trade names are used, Gillette, Valet and Tech.

Actually Gillette has three main product lines: (1) shaving products including razors, blades and shaving creams which deliver about 65% of sales; (2) cosmetics and hair preparation products for women (the Toni Division), which account for around 26% of sales and (3) Paper Mate ball point pens accounting for the remaining 9%.

Shaving Products

The Gillette Safety Razor Division had a record year in 1959. Sales of its razors, including the new, widely-advertised, adjustable one, blades and Foamy Shaving Cream all expanded to new highs and the outlook is still brighter for this year. After about five years of intensive research Gillette introduced this past January an amazing new blade called the Super Blue Blade. While this brings a premium price (10 for 69c instead of 10 for 49c) it has proved a terrific seller and is stocked by 99% of all American drug stores. It affords a smoother, closer shave than any of its predecessors, and is most attractive from the Company standpoint in that it costs but little more to produce than the standard blade although it commands a premium retail price. The expanded sales, and higher profit margins created by the Super Blue Blade are expected to propel Gillette earnings to a new peak for this year. And that possibility should continue to interest present and potential shareholders.

Toni Division

The Toni Company was purchased in 1948 for $20 million. Due to the rising popularity of home permanents, and the effectiveness of Gillette manufacturing and sales techniques the Toni investment was all paid off within 4½ years. The "Toni," "Bobbi" and "Prom" home permanents have prospered except during a style changing lull in 1957 and 1958. Since the addition of "No Mix" Toni Home Permanent, and a broadened line of hair sprays (Adorn) facial cleansers, deodorants and shampoos, the Toni Division has gone forward and it racked up its second best year in 1959.

Paper Mate was acquired in the Fall of 1955 and some investment analysts questioned, at the time, the profitability of this merger since the ball point pen business is notoriously a highly competitive one. Paper Mate is the largest American producer of ball point pens and this division fits in well with Gillette's known preference for products with a timeless refill demand. Gillette has, despite the aforementioned analysts, made money with Paper Mate each year, and is busily at work improving its profit margins.

Like most modern successful companies, Gillette is research-minded. The company has five research laboratories, spent $4 million in this area last year, and will increase the outlay for 1960. Research not only includes refinement of existing products and ideating new ones but is also devoted to improving manufacturing and engineering techniques all along the line.

The advertising genius of Gillette is world renowned. Sportsmen are never allowed to forget Gillette in the broadcasts of many major athletic events, and King Gillette's face would be instantly recognized by tens of millions of men throughout the world. Altogether Gillette spent about 17% of sales—almost $36 million—on advertising in 1959; and there is no doubt that we will be asked to "look sharp" even more frequently in 1960.

Another facet of Gillette's operations that offers a vista of expansion for the future is the Gillette Laboratories division, founded in 1957 to manufacture and market proprietary drugs. Under an arrangement with the Upjohn Company this division now markets Thorexin cough remedy and cold capsules. Addition of new drug products, over time, would seem highly probable.

Investors who have followed Gillette common for any length of time have come to feel that this equity is not only a consistently fine earner and a reliable dividend payer, but displays a number of growth characteristics as well. This is due to the constantly broadening product list, rising standards of living which emphasizes good grooming, and the high conversion rate of sales into profits. Gillette earns 30% in net before taxes.

Financial Strength

Financially, Gillette has been a magnificent performer. It has no funded debt and has paid dividends on its common since its first year in business, 1906. In good times or bad, men want to look presentable and they do not propose to lose an order, a job or a social advantage "by a whisker."

At the 1959 year-end the company had over $51 million in net working capital which is plenty of money for operations and a sizable war chest available for merger purposes as well. Any high profit quality product that can be sold in a drug store is legitimate merger bate for Gillette.

Dividends

We mentioned the long dividend record. It's not only a long but a generous one. The average payout has been 70% of net over the past 15 years and there were six dividend increases in the 1950 decade. Present rate is $2.50. In addition there was a 2-for-1 stock split in 1950 and again in 1955, and board room gossip has hinted at another split within the next 10 months, a rumor that management has denied.

Sophisticated stock buyers who have taken a good look at GS seem to like the view. Shareholders have increased in number from 25,000 to 40,000 in the past seven years and three major mutual funds are reported to have added Gillette to portfolio this year.

The year's high for GS was 87½. The current quotation is near there. These figures seem to reflect an indicated rise in per share net from $3.34 last year to around $3.75 for 1960. Whether GS has discounted its pleasing prospects too heavily is a legitimate question. But that the stock is solid equity with a perceptible growth factor, nobody can deny.

Banker Named By Ohio Val. IBA

COLUMBUS, Ohio—The Ohio Valley Group of the Investment Bankers Association of America has elected Howard H. Banker, Cincinnati, a Governor of the national organization. He succeeds Dennis E. Murphy, Vice-President of The Ohio Co., Columbus. Mr. Banker, who was elected to a 3-year term, has at various times served on the education, membership and program committees of the Ohio Valley Group IBA and is currently a member of the executive committee. He entered the investment banking field in 1920 and is Cincinnati Regional Manager for C. J. Devine and Co., New York.

Howard H. Banker

The announcement was made by Ralph Elam, of Sweney Cartwright & Co., Columbus, Chairman of the Ohio Valley Group. The group serves central and southern Ohio, including Cincinnati, Columbus and Dayton, and all of Kentucky.

C. B. Rhodes Opens

SAN FRANCISCO, Calif. — Charles B. Rhodes is engaging in a securities business from offices at 220 Montgomery Street.

The State of TRADE and INDUSTRY

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

In its September Survey, the Morgan Guaranty Trust Co. of this city reports on business and financial conditions that:

Late-summer business reports, while they show over-all activity at high levels, continue to carry a tone of hesitancy, extending the element of uncertainty which has arisen as to the economic outlook for the rest of the year.

So far the "cleanup" of 1960-model automobiles has been disappointing. Sales of new cars during the first two-thirds of August ran below the pace a year earlier, continuing the weak pattern which emerged in July. As a result, dealers' stocks of unsold cars remain uncomfortably large and could be an obstacle to sustained high-level production of the new models to be introduced this fall.

Output prospects are also uncertain in the case of steel. The increase in orders that had been widely expected to appear by late summer has not materialized. Instead, it appears that steel users have continued to draw on previously accumulated stocks to meet part of their needs. Steel makers doubt that this practice can continue much longer, since the inventory level at the end of August was believed to be close to the recession low of 1958. As a consequence, they are inclined to regard some improvement in orders this fall as a virtual certainty. Whether it will prove sufficient to warrant a rise in steel output of normal autumn proportions remains to be seen.

Order Backlogs Still Declining

Order experience has been disappointing not only in steel but for manufacturers in general. In July—for the eighth consecutive month—new orders received by manufacturers ran below sales. Thus backlogs continued to recede and at the end of July were the lowest since late 1958. The persistence of this trend is one of the most worrisome features of the business situation.

Seasonally adjusted, manufacturers' new orders in July totaled $29.4 billion, down $700 million from June. Whereas the declining tendency of orders in previous months was pretty much confined to durable-goods industries, weakness in July spread to the non-durable goods sector as well. Continuation of this movement would disturb one of the props which have been sustaining the index of industrial production at a near-record level. The relatively good showing of total industrial production so far this year has been possible mainly because declining production in durables as a whole has been offset by rising output of soft goods.

Inventory Adjustment Hurting GNP

Inventory adjustment, which has been in progress all year, now appears to have entered a new phase. During the first half of the year, the adjustment for most businesses did not involve actual net liquidation of stocks but rather a slowing down in the rate of accumulation. Whereas total business inventories increased at an annual rate of $11 billion in the first quarter, the rate of accumulation fell to $5 billion in the second quarter.

The summer period appears to have witnessed, for the first time, actual net liquidation of stocks on a moderate scale by business in general. July data show this to be the case, and there are indications that liquidation may have continued into August. Bank loans, for example, showed a declining trend. From the beginning of July through the third week of August, business loans of weekly reporting member banks decreased by about $1,150 million. This was in contrast to experience in the comparable period of 1959, when such loans rose by $700 million. In the final week of August, a sharp rise occurred in business loans in New York City, but it is impossible as yet to assess the significance of this break in trend.

With inventory-to-sales ratios considered generally satisfactory by postwar standards, there was good reason until recently to believe that inventory adjustment by business might stop short of actual liquidation. Apparently it hasn't, and this suggests that the retarding influence of the adjustment on gross national product may persist longer than had been previously anticipated. It will be important to watch inventory statistics closely for the next several months to see whether the reduction in stocks continues. Should liquidation cease—still a definite possibility—the general business outlook would improve. Conversely, signs that liquidation was becoming more pronounced would have distinctly unfavorable implications.

The various indications of lack of buoyancy in the economy suggest that GNP probably will not show a significant rise for the third quarter. Indeed, in the light of apparent inventory tendencies, there is a possibility of a slight decline for the period. Consumer spending for goods and services as a whole and capital spending by business have been high, but neither has shown any marked expansion. Governmental outlays will almost certainly be higher for the quarter and exports may well show another gain, but increases in these areas probably won't fully counterbalance the inventory weakness. Housing expenditures in the third quarter may prove a disappointment. There were indications in the second quarter that building activity was stabilizing after its extended decline, but in July—the latest month for which data are available—a sharp further drop in nonfarm housing starts clouded the picture.

Bank Clearings for Sept. 10th Week Up 10.7% Above Corresponding Week Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 10, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 10.7% above those of the corresponding week last year. Our preliminary totals stand at $21,569,773,705 against $19,477,679,677 for the same week in 1959. Our comparative summary for the leading money centers for the Sept. 10th week follows:

	(000s omitted) 1960	1959	%
New York	$11,789,013	$10,078,110	+17.1
Chicago	1,081,049	969,449	+11.5
Philadelphia	797,000	826,000	— 3.5
Boston	589,806	540,639	+ 9.1

Automotive Buying of Sheet Steel Hits Uptrend

Automotive industry buying of sheet steel for October shipment is at the highest volume for many months, *Steel* magazine said.

Some automotive tonnage originally scheduled for late August delivery is going out from the mills. That means September will experience a noticeable pickup in deliveries. Generally, developments in autos will point the way for steel the rest of this year.

The metalworking weekly said finished steel demand is increasing slowly, with steelmen booking small orders more actively. One Midwestern mill reports daily order receipts gained for four consecutive weeks; the latest week's tonnage was the best since February. Another mill's orders are the best since April.

Consumer stocks still act as a damper on new steel buying. Consumption is running ahead of incoming shipments, so it's believed that buying, at least for prompt shipments, can't be put off much longer. Until delivery promises tighten, however, there's little likelihood of much stock rebuilding.

September order placement is expected to top August's by at least 10%, but there is still doubt that September steelmaking operations will exceed the August level.

Last week, national ingot production was estimated at 1,441,000 net tons. The ingot rate averaged 50.6% compared with 52% the preceding week. Part of the drop was due to curtailments over Labor Day.

Quick recovery of national operations may be stymied by the rail strikes. Some steel shippers and consumers have been inconvenienced by the Pennsylvania Railroad strike. In general, though, diversion of shipments to trucks has been effected without too much difficulty. In the East, the movement of scrap for export has been slightly hampered.

Scrap prices are fluctuating, pending a revival in mill buying. *Steel's* price composite on No. 1 heavy melting steel declined 34¢ last week to $32.33 a gross ton.

A beam of electrons, streaking through a vacuum at speeds as high as 100,000 miles a second, is being used to purify metals, in welding, and in machining.

Steel reports that the electron bombardment process is now a production tool. Electrons are radiated from a filament (normally tungsten) and accelerated electrically to provide a pure, highly efficient heat source.

Experts see a growing market for metalworking equipment and predict a potential for more than $100 million worth of electron beam welding equipment alone.

Upturn in Steel Industry Again Deferred

In the absence of any new buying trends, a significant upturn in steel operations is set back again, *The Iron Age* reports.

This means that October may have to be written off as a recovery month, just as September was a few weeks ago, the national metalworking weekly comments.

There is a slight seasonal upturn in orders, characterized by greater volume of orders, but for smaller tonnages. Of the major markets, only the automotive industry and its suppliers are taking anything like a respectable tonnage. And this is less than expected because automakers went into the new model season with better-than-expected inventories.

The magazine says that the recession in steelmaking can no longer be classed as an inventory correction period. Cut-backs in inventories have been the most significant factor, but actual consumption of steel has not snapped back.

The steel industry had confidently expected operations to rebound to the high 70s (as a per cent of capacity) when the summer months passed and the inventory correction ended. The fact that this did not happen put the blame on steel consumption.

This means that a major, long-term improvement may now be out of the question this year. In some steel circles, next March is now looked for as the recovery time.

The magazine lists these factors as significant in the low state of steel operations:

Other than automotive, the traditional big steel users are not buying steel in any great quantity. This group includes appliance makers, who have inventory problems of their own, and railroads which, with poor profit showings, are not replacing and repairing rolling stock more than the absolute minimum.

There are no artificial factors to stimulate buying, such as the

Continued on page 30

What It Would Cost Britain To Join The Common Market

By Paul Einzig

Should the British jettison the Commonwealth for the sake of being admitted to the European Common Market? Answering the influential argument of the declining importance of "preference" trade with the Commonwealth, Dr. Einzig characterizes the data used in support of the argument misleading. He asks what would happen to the British cost of living and to the growth of newly-created African countries, who must export in order to stand up to USSR inroads, if the Commonwealth were excluded from, and Britain joined, the ECM.

LONDON, Eng.—The Commonwealth Finance Ministers are about to meet in London, and the attitude of the United Kingdom towards trade relations with Western Europe will be the main topic of their discussions. New Zealand, in particular and to a less extent Australia will exert the utmost pressure to prevent the British Government from going too far in sacrificing Commonwealth trade for the sake of joining the European Common Market.

It now seems that the Common Market's attitude towards British trade with the Commonwealth constitutes the only really grave obstacle to an agreement. Hitherto the opposition for British agricultural interests to being sacrificed for the sake of European agricultural integration was also considered a more or less equally important obstacle. It now seems, however, that West German resistance to agricultural integration is strong enough to remove the likelihood of adopting a system that would be entirely unacceptable to British agriculture. The strengthening of American resistance to European agricultural integration also reinforces British opposition to it. It is therefore possible to visualize an agreement in that sphere.

A Suggested Compromise

The position is totally different, however, as far as trading with the Commonwealth is concerned. The idea of admitting Commonwealth products into the Common Market is of course, entirely unacceptable to France and other countries of the Common Market. The small farms in France would be entirely unable to face the competition of Canadian or Australian land products. The only formula which might prove to be acceptable would be to exclude the Commonwealth and allow Britain a free hand to continue the existing preferential system as far as agriculture is concerned. The main objection to this on the part of the Common Market is that once these products are in Britain they could find their way under the guise of British products into the Common Market.

That problem has its answer in the form of certificates of origin. There was no difficulty whatsoever in elaborating an acceptable formula at the Stockholm negotiations which lead to the formation of the European Free Trade Association. There is no reason why the countries of the Common Market should be more distrustful about the possibility of abusing the system of certificates of origin. In any case as far as land products are concerned Britain could well undertake to renounce exporting such products to the Common Market under preferential arrangements, for the simple reason that in any case the volume of British land products imported by the Common Market is negligible. It will take some time, however, before this obvious solution would become acceptable to France, and possibly other Common Market countries.

Growing Public Opinion for ECM

Meanwhile pressure in Britain to induce the Government to sign on the dotted line of the Rome Treaty is on the increase. A small but vocal section of public opinion is prepared cheerfully to jettison Commonwealth trade for the sake of being admitted to the Common Market. In support of their attitude statistics have been published showing that the value of Commonwealth exports admitted to Britain under Commonwealth preference represented in 1957 only between 4 and 5% of total Commonwealth import compared with between 6 and 7% in 1948. Those in favor of joining the Common Market at all costs argue that in view of the declining importance of preference its abandonment would not consist of a major blow to the Commonwealth

Whenever conclusions based on statistics are in flagrant conflict with those based on common sense it is on the whole advisable to give the latter the benefit of the doubt pending further investigation. The weighted average value of preferences to total Commonwealth exports conceals wide discrepancies as to the extent to which particular Commonwealth countries and particular commodities are liable to be affected. It is all very well to say that the average is merely between 4 and 5%. The fact that it is so low would be of small comfort to some industries in Commonwealth countries, which can barely hold their own on the British market against Western European competitors even under existing arrangements. The elimination of preference would spell ruin to such industries. What is even more important, under the integrated tariff of the Common Market, Britain would impose duties on raw materials and food from the Commonwealth, which are at present free of duty.

It seems probable that responsible quarters in Britain will not allow themselves to be mislead by the sophistry of statisticians, even though the publication of the above figures influenced the attitude of the British Press to an amazing degree. Any agreement with the Common Market would have to be on terms that safeguards the vital interests of Commonwealth countries.

What Would Happen in Africa?

From a purely British point of view too, the imposition of duties on food and raw materials which are at present admitted free of duty and the increase of duties on those which are admitted at present at very low duties would present grave disadvantages. It would increase the cost of living and the cost of production and would more than offset the effect in an opposite sense resulting from a reduction or elimination of duties in relation to imports from Western Europe.

Last, but by no means least, the penalizing of exports of the newly-created African countries would open the way to Communist political and economic influence in said countries.

A. Wilfred May is making an on-the-spot study of economic and political conditions in South Africa.

J. W. Sparks Co. To Admit Partner

J. W. Sparks & Co., 120 Broadway, New York City, members of the New York and Philadelphia-Baltimore Stock Exchanges, on October 1 will admit Charles K. Wynn, Jr., to partnership.

Thomson & McKinnon Admit

Thomson & McKinnon, 2 Broadway, New Yok City, members of the New York Stock Exchange, on October 1 will admit Lodewyk J. Jiskoot to partnership.

Robert Garrett To Admit Stout

BALTIMORE, Md.—Robert Garrett & Sons, South & Redwood Streets, members of the New York and Philadelphia-Baltimore Stock Exchanges, on Oct. 1 will admit Charles L. Stout to partnership.

Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Edward Infante has joined the staff of Shearson, Hammill & Co., 520 South Grand Avenue. He was previously with John J. Keenan & Co. Incorporated.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The level of the tax-exempt bond market has not been given any serious test since reaching its recent apex during the middle of August. The moderately heavy new issue volume of June and July was disposed of rather easily by dealers through money market encouragement as well as through a generally favorable price and yield structure. Even though dealers were progressively discounting the easier money situation, yields were still generous from almost any investment viewpoint.

Substantial Price Rise

However, when the discount rate was lowered, bond dealers, in the absence of new issue volume during August, continued to mark up prices even though the rate changes had been quite thoroughly exploited price-wise during July. Dealers and investors now observe that the market averages about two points higher than it did six weeks ago and dealers dismally note that there seems to be disinterest on the part of investors in many recent new issue offerings at a seasonal juncture that normally ushers in a much heavier volume of new issue offerings.

However, dealers have been quick to sense this market unsettlement and in their bidding during the past week price adjustments, particularly for the longer term bonds, have more closely represented the level of early August rather than the marked-up level obtaining later in August and early September.

A Good Performance on the Thruways

The New York State Thruway Authority offered $50,000,000 State guaranteed serial (1985 - 1995) bonds on Thursday, Sept. 8. Judging by the recent action of the bond market, one might have expected at least two bids for this final issue of Thruway guaranteed obligations. After thorough consultations, a joint single bid was proffered by the two traditional bidding groups.

The State Comptroller very wisely accepted the bid, even though it represented the pricing of this long term issue for retail at levels considerably lower than similar representations in the secondary market. Despite this purportedly bargain pricing, the offering was not a sell-out as many thought it would be. On initial offering about $32,000,000 was taken down from the account and, at this writing, close to $16,000,000 remains as a balance.

All factors being considered we believe this to have been a good performance. In the first instance, the State showed good judgment in not insisting on competitive bids in justifying an award as had been the case before. Secondly, the managers exercised leadership in their judgment of a market that had been projected upward on flimsy premises within a brief period.

San Francisco Issue Attractive to Investors

Market leadership was again apparent this week when a large group headed by the Bank of America, Harris Trust and Savings Bank, The First National City Bank, and the Bankers Trust Company, was successful bidder for $21,455,000 City and County of San Francisco, Calif. serial (1961 - 1980) bonds. This preeminently fine credit, combining both city and county corporations, always attracts relatively strong bidding competition.

As against secondary market offerings, this issue was moderately priced and looked relatively cheap. Many investors were quick to respond and a balance of only $7,000,000 is in account at present.

Other Fast Movers

On Tuesday, Sept. 13, the Pennsylvania State Highway and Bridge Authority received bids for $10,000,000 serial (1961-1980) bonds. These well secured bonds are payable from lease rentals between the Authority and the State and other highway revenues contrived to meet the debt service and other requirements. This is virtually a state credit although not in the legal sense.

The group headed by Drexel & Co. and including as major participants, The First Boston Corp., Smith, Barney & Co., Lehman Brothers, and Eastman Dillon, Union Securities, is offering the bonds at prices to yield 1.50% to 3.30%. Popular in Pennsylvania because of their freedom from certain state and city property and millage taxation, the bonds have been quite well taken, with less than $3,900,000 in account balance at his writing.

Another sizable issue reaching market this week reflected pricing lower than that represented in the indexes and averages, was $4,800,000 Tulsa County, Okla., Independent School District #1. This high grade issue (1962-1975) attracted numerous bids and was won by the group composed of Northern Trust Co., the Harris Trust and Savings Bank, The Chase Manhattan Bank, The First National City Bank, the Bankers Trust Co., and others. Priced to yield from 1.90% to 3.25%, more than half this attractively priced issue was sold out of account on initial offering.

Allegheny County, Pa., a credit which always attracts bidding above and beyond the stark statistical factors involved, awarded $5,400,000 serial (1961-1990) bonds on Sept. 13 to a group led by The First National City Bank and including Harriman Ripley & Co., Philadelphia National Bank, Phelps, Fenn & Co.; Stone & Webster Securities Corp., and others. The offering has thus far met with fair investor reception; the balance being about $3,400,000.

Keen Competition for Housing Bonds

The $48,900,000 Public Housing Authority serial issues (1961-2001) offered Sept. 14 were sought by several bidders. All of the issues involved, excepting $1,130,000 York, Pennsylvania Housing Authority bonds, were awarded on the high bids made by the combined Dealer - Bank groups. The issues will bear coupons of 3⅜% or 3½%, depending on the issue and will be priced to yield from 1.50% to 3.60% also depending on the issue.

These highly rated guaranteed bonds seem relatively well priced and should be attractive, particularly to individual investors and fiduciaries generally.

California Announces New Offering

Although the official new issue calendar has not been expanded, as yet, to the sizable proportions that usually generate at this time of year, there is evidence that heavy volume is imminent. With the announcement that the State of California will accept bids for $75,000,000 general obligation serial bonds on Sept. 28, the calendar remains at approximately $400,000,000. The $75,000,000 California total will be comprised of $50,000,000 for veterans' aid and $25,000,000 of school bonds. The former are to be self-sustaining and, to an extent the latter will be likewise.

The *Blue List* total as reported on Sept. 14 is $365,987,000 as against the total a week ago of $329,084,500. The trend over the last month has been abruptly upward and, as new issue volume increases, pricing must continue to be realistically responsive.

The dollar quoted turnpike and toll road revenue issues have fluctuated little during the past week. The *Smith, Barney & Co.* turnpike index as reported Sept. 8 was 3.82%. On Sept. 1, it was 3.84%. July and August revenue reports have been encouraging and will help for even greater market stability for this important investment category.

Yield Index Higher

The *Commercial and Financial Chronicle's* State and Municipal bond yield Index is 3.192% on Sept. 14 as against 3.177% a week ago. This, to an appropriate extent, represents the easier sentiment expressed in the lower new issue bidding during the past week. Our index is composed of outstanding rather than new issue offerings and is consequently less volatile.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.55%	3.40%
Connecticut (State)	3¾%	1980-1982	3.25%	3.10%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.15%	3.05%
New York (State)	3%	1978-1979	3.00%	2.85%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.80%
Vermont (State)	3⅛%	1978-1979	3.00%	2.85%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.25%	3.15%
Los Angeles, Calif.	3¾%	1978-1980	3.60%	3.50%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.25%	3.15%
New Orleans, La.	3¼%	1979	3.55%	3.40%
Chicago, Ill.	3¼%	1977	3.55%	3.40%
New York City, N. Y.	3%	1980	3.75%	3.65%

September 14, 1960 Index=3.192%

Rauscher, Pierce Names Officers

DALLAS, Texas—Rauscher, Pierce & Co., Inc., Mercantile Dallas Building, members of the New York and Midwest Stock Exchanges, has announced the promotion in the Houston office of E. Clyde Hawkins to Senior Vice-President, and James L. Bayless to Vice-President. In the San Antonio office, Louis J. Kocurek and Arnold J. Kocurek have been promoted to Senior Vice-Presidents, and Milton Halpern to Vice-President.

Norman Fahr With Rockwell-Gould

ELMIRA, N. Y.—Norman M. Fahr has become associated with Rockwell-Gould Co., Inc., 159-167 Lake Street, members of the Midwest Stock Exchange, as a representative. Mr. Fahr was formerly with the American La France Corp. for over 25 years.

John Joshua Co. Formed

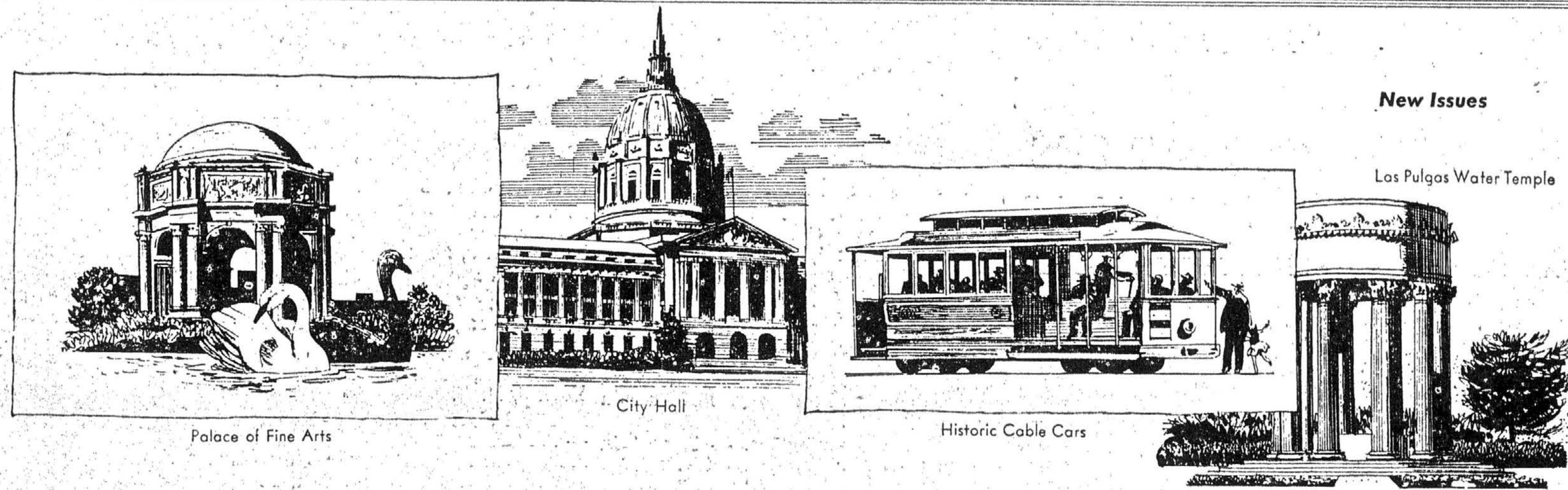
John Joshua & Co., Inc. has been formed with offices at 225 West 34th Street, New York City, to engage in a securities business. Martin Benis is President and Treasurer, and Robert S. Persky, Secretary.

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.

Sept. 15 (Thursday)			
Batavia City School District N. Y.	2,690,000	1961-1989	2:00 p.m.
Black Hawk County, Iowa	2,000,000	1961-1979	10:00 a.m.
Bridgewater-Raynham Reg. Sch. Dist., Massachusetts	2,398,000	1961-1980	11:00 a.m.
Nankin Mills School District, Mich	1,650,000	1963-1988	8:00 p.m.
Prince William County, Occoquan-Woodbridge Sanitary Dist., Va.	1,250,000	1961-1985	Noon
Puerto Rico Aqueduct and Sewer Authority, Puerto Rico	10,000,000	1962-2000	11:00 a.m.
Suffolk County, New York	3,551,000	1961-1989	Noon
Sept. 16 (Friday)			
Western State College of Colorado	1,780,000	1963-2000	9:30 a.m.
Sept. 19 (Monday)			
Bangor Township Sch. Dist., Mich.	1,200,000	1961-1971	8:00 p.m.
Kenosha, Wisconsin	4,120,000	1961-1980	Noon
Sept. 20 (Tuesday)			
Michigan	25,000,000	1961-1985	11:00 a.m.
Milwaukee, Wisconsin	10,750,000	1961-1973	10:30 a.m.
Monomonie, Etc. Joint Sch. Dist. No. 1, Wisconsin	1,000,000	1962-1980	11:00 a.m.
Newport Harbor Union High Sch. Dist., California	4,270,000	1961-1980	11:00 a.m.
Pen Argyle Area Joint School System Authority, Pennsylvania	2,035,000	1962-2000	8:00 p.m.
Springfield, Massachusetts	3,750,000	1961-1980	11:00 a.m.
Vero Beach, Florida	3,000,000	1962-1990	1:00 p.m.
Youngstown, Ohio	6,000,000	1962-1986	1:00 p.m.
Sept. 21 (Wednesday)			
Central Delaware Co. Auth., Pa.	1,050,000	1963-2000	8:00 p.m.
Connecticut	35,440,000	1963-1980	11:00 a.m.
Lancaster School District, Pa.	3,200,000	1961-1975	11:00 a.m.
Salina & Clay Central School Dist. No. 1, New York	2,055,000	1961-1985	2:00 p.m.
West Haven Sch. Dist., Conn.	5,700,000	1961-1980	11:00 a.m.
Wooster School District, Ohio	2,000,000	1962-1981	1:00 p.m.
Sept. 22 (Thursday)			
Buffalo, New York	12,335,000	1961-1989	11:00 a.m.
Honolulu City and County, Hawaii	8,000,000	1963-1980	8:00 a.m.
Orchard Park, etc., Central School District, No. 1, New York	2,316,000	1961-1987	11:00 a.m.
Roseville, Minnesota	1,000,000	1961-1980	8:00 p.m.
West Essex Reg. Sch. Dist., N. J.	4,785,000	1962-1985	8:00 p.m.
Sept. 26 (Monday)			
East Orange, New Jersey	1,174,000	1961-1975	8:00 p.m.
Edina, Minnesota	1,800,000	1962-1970	7:30 p.m.
Sept. 27 (Tuesday)			
Athens, Georgia	1,650,000	1961-1990	Noon
Cleveland, Ohio	7,000,000	1966-2000	11:00 a.m.
Detroit, Michigan	8,500,000	1962-1995	10:30 a.m.
Detroit School District, Michigan	10,000,000	1962-1987	10:00 a.m.
Eastern Kentucky State College, Kentucky	2,000,000	1962-1990	1:00 p.m.
Northeast Sacramento County Sanitary District, Calif.	4,000,000	-------	--------
Racine, Wisconsin	3,732,000	1961-1980	2:00 p.m.
Rockingham County, N. C.	2,000,000	1963-1982	11:00 a.m.
Stanton Local School Dist., Ohio	1,597,000	1962-1985	1:00 p.m.
Wisconsin State Colleges, Wisc.	2,700,000	1961-1996	10:00 a.m.
Sept. 28 (Wednesday)			
California	75,000,000	-------	--------
Louisiana	15,000,000	1961-1984	11:00 a.m.
Topeka, Kansas	1,194,500	1961-1970	11:00 a.m.
Westfield School District, N. J.	1,000,000	1962-1981	11:00 a.m.
Sept. 29 (Thursday)			
California Toll Bridge Auth., Cal.	7,000,000	2000	11:00 a.m.
Cleveland Heights, Ohio	1,000,000	1962-1976	Noon
Fairbanks, Alaska	1,500,000	1961-1980	2:00 p.m.
Mount Horeb, Etc. Union High Sch. District, Wisconsin	1,050,000	1961-1980	7:30 p.m.
Plaquemines Parish, La.	2,500,000	1961-1980	11:00 a.m.
Randolph Twp., New Jersey	2,100,000	1961-1980	8:00 p.m.
Oct. 4 (Tuesday)			
Clifton, New Jersey	2,000,000	1961-1980	8:00 p.m.
Lakeview School District, Mich.	1,775,000	1961-1989	8:00 p.m.
Oct. 5 (Wednesday)			
Alameda Co. Water District No. 1, California	1,870,000	1970-1984	7:45 p.m.
Lee County, Florida	2,000,000	1962-1980	10:00 a.m.
Los Angeles Department of Water and Power, Calif.	12,000,000	-------	--------
Washoe Co., Nevada	2,500,000	1962-1990	9:00 a.m.
Oct. 10 (Monday)			
Caldwell-West Caldwell School District, New Jersey	2,615,000	1962-1988	8:00 p.m.
Michigan College of Mining & Technology, Michigan	1,400,000	1962-1999	11:00 a.m.
Port of Portland, Oregon	2,000,000	-------	--------
Oct. 17 (Monday)			
Dallas, Texas	4,000,000	1961-1980	1:45 p.m.
Oct. 18 (Tuesday)			
Los Angeles Co. Flood Control District, California	10,000,000	-------	--------



Palace of Fine Arts City Hall Historic Cable Cars Las Pulgas Water Temple

New Issues

$21,455,000 City & County of San Francisco

CALIFORNIA

6%, 2¼%, 2¾%, 2½%, 3%, 3¼% and 1% Various Purpose Bonds

Dated October 1, 1960 ***Due October 1, 1961-80, incl.***

ISSUES, AMOUNTS, RATES, MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

$15,000,000 Hetch Hetchy Power Bonds—1955, Series G
Due: $750,000 October 1, 1961-80, incl.

$5,000,000 School Bonds—1956, Series E
Due: $335,000 October 1, 1961-70, incl.
$330,000 October 1, 1971-75, incl.

$1,000,000 Playgrounds and Recreation Centers Bonds—1955, Series E
Due: $70,000 October 1, 1961-65, incl.
$65,000 October 1, 1966-75, incl.

$455,000 Hospital Bonds—1954, Series E
Due: $35,000 October 1, 1961
$30,000 October 1, 1962-75, incl.

Amount	Hetch Hetchy Coupon Rate	Other Purposes Coupon Rate	Due	Hetch Hetchy Yield or Price	Other Purposes Yield or Price
$1,190,000	6%	6%	1961	1.60%	1.60%
1,185,000	6	6	1962	1.80%	1.80%
1,185,000	6	2¼	1963	2.00%	2.00%
1,185,000	6	2¼	1964	2.15%	2.15%
1,185,000	6	2¼	1965	2.30%	2.30%
1,180,000	2¾	2½	1966	2.40%	2.40%
1,180,000	2¾	2½	1967	2.50%	100
1,180,000	2¾	2½	1968	2.60%	2.60%
1,180,000	2¾	2¾	1969	2.70%	2.70%
1,180,000	2¾	2¾	1970	2.80%	2.80%
1,175,000	3	3	1971	2.90%	2.90%
1,175,000	3	3	1972	2.95%	2.95%
1,175,000	3	3	1973	100	100
1,175,000	3	3	1974	3.05%	3.05%
1,175,000	3	3	1975	3.10%	3.10%
750,000	3¼		1976	3.15%	
750,000	3¼		1977	3.20%	
750,000	3¼		1978	100	
750,000	3¼		1979	100	
750,000	1		1980	Not re-offered	

Payment and Registration

Principal and semi-annual interest (April 1 and October 1) payable, at the option of the holder, at the office of the Treasurer of the City and County of San Francisco, California, or at the fiscal agency of the City and County in New York, N. Y. Coupon bonds in denomination of $1,000 registrable only as to both principal and interest.

Tax Exemption

In the opinion of counsel, interest payable by the City and County upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment

We believe that these bonds are legal investments in New York for savings banks and trust funds, in Connecticut for savings banks, and in California for savings banks, subject to the legal limitations upon the amount of a bank's investment, and are likewise legal investments in California for trust funds and for other funds which may be invested in bonds which are legal investments for savings banks and are eligible as security for deposits of public moneys in California.

Purpose and Security

These bonds, issued under provisions of the Charter of the City and County of San Francisco and the laws of the State of California for various purposes, in the opinion of counsel constitute valid and legally binding obligations of the City and County of San Francisco and the Board of Supervisors thereof has power and is obligated to levy ad valorem taxes for the payment of said bonds and the interest thereon upon all property within said City and County of San Francisco subject to taxation by said City and County (except certain intangible personal property, which is taxable at limited rates) without limitation of rate or amount.

Tax Gain, Amortization of Premium

These bonds will be initially issued by the above named political subdivision at not less than their par value, and a taxable gain may accrue on bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.

Legal Opinion

The above bonds are offered when, as and if issued and received by the underwriters listed below, as well as other underwriters not shown whose names will be furnished on request, and subject to approval of legality by Messrs. Orrick, Dahlquist, Herrington & Sutcliffe, Attorneys, San Francisco, California, a copy of whose legal opinion will be printed on each bond.

Bank of America *N. T. & S. A.* **Harris Trust and Savings Bank** **The First National City Bank** *of New York* **The Chase Manhattan Bank** **Bankers Trust Company** **Blyth & Co., Inc.** **The First Boston Corporation**

Lehman Brothers **Harriman Ripley & Co.** *Incorporated* **Smith, Barney & Co.** **The Northern Trust Company** **Wells Fargo Bank** **American Trust Company** **Security First National Bank** **Crocker-Anglo National Bank**

C. J. Devine & Co. **Phelps, Fenn & Co.** **R. H. Moulton & Company** **White, Weld & Co.** **Weeden & Co.** *Incorporated* **The First National Bank** *of Oregon* **Seattle-First National Bank** **R. W. Pressprich & Co.**

Ladenburg, Thalmann & Co. **William R. Staats & Co.** **Bacon, Whipple & Co.** **J. Barth & Co.** **The Boatmen's National Bank** *of St. Louis* **Clark, Dodge & Co.** *Incorporated* **F. S. Moseley & Co.** **New York Hanseatic Corporation**

Paine, Webber, Jackson & Curtis **Reynolds & Co.** **Schwabacher & Co.** **Shearson, Hammill & Co.** **William Blair & Company** **Eldredge & Co.** *Incorporated* **Estabrook & Co.** **First National Bank in Dallas**

The Illinois Company *Incorporated* **Kean, Taylor & Co.** **A. M. Kidder & Co., Inc.** **Republic National Bank** *of Dallas* **Roosevelt & Cross** *Incorporated* **Spencer Trask & Co.** **Trust Company of Georgia**

James A. Andrews & Co. *Incorporated* **Dempsey-Tegeler & Co.** **First Southwest Company** **Fitzpatrick, Sullivan & Co.** **J. A. Hogle & Co.** **Model, Roland & Stone** **Northwestern National Bank** *of Minneapolis*

Wm. E. Pollock & Co., Inc. **Stern Brothers & Co.** **City National Bank and Trust Company** *of Chicago* **A. G. Edwards & Sons** **The First National Bank and Trust Company** *Oklahoma City, Okla.*

Industrial National Bank of Providence **Kalman & Company, Inc.** **The National Bank of Commerce** *of Seattle* **The Provident Bank** **Townsend, Dabney & Tyson** **Wells & Christensen** *Incorporated* **Cooley & Company**

Dallas Union Securities Co., Inc. **Dittmar & Company, Inc.** **Frantz Hutchinson & Co.** **Ginther & Company** **G. C. Haas & Co.** **Hooker & Fay, Inc.** **Kenower, MacArthur & Co.**

Lawson, Levy, Williams & Stern **A. E. Masten & Company** **Rotan, Mosle & Co.** **Seasongood & Mayer** **Shuman, Agnew & Co.** **Stern, Lauer & Co.** **Thornton, Mohr and Farish** **J. C. Wheat & Co.**

Anderson & Strudwick **The Continental Bank and Trust Company** *of Salt Lake City* **Dreyfus & Co.** **Granbery, Marache & Co.** **Green, Ellis & Anderson** **Hallowell, Sulzberger, Jenks, Kirkland & Co.**

Mid-South Securities Co. **Reinholdt & Gardner** **Irving J. Rice & Company** *Incorporated* **Rockland-Atlas National Bank** *of Boston* **Rodman & Renshaw** **Underwood, Neuhaus & Co.** *Incorporated* **Van Alstyne, Noel & Co.**

The White-Phillips Company, Inc. **Yates, Heitner & Woods** **Davis, Skaggs & Co.** **Federation Bank and Trust Co.** **Hill Richards & Co.** *A Corporation* **Schaffer, Necker & Co.** **Walter Stokes & Co.**

Sutro & Co. **R. D. White & Company** **Arthur L. Wright & Co., Inc.** **Cavalier & Otto** **Elkins, Morris, Stokes & Co.** **Freeman & Company** **Prescott & Co.** **Wagenseller & Durst, Inc.** **C. N. White & Co.**

September 13, 1960 ***A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.***

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bank Stock Notes — Circular on leading New York City Banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Business Activity—Bulletin—Cleveland Trust Company, 916 Euclid Avenue, Cleveland 1, Ohio.

Canadian Bond Market—Analysis—Saunders Cameron Limited, 55 Yonge Street, Toronto 1, Ont., Canada.

Canadian Investment Letter—Bulletin of market comment—Equitable Securities Canada Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Comparative Yields of U. S. Treasury Issues — Bulletin — Aubrey G. Lanston & Co., Inc., 20 Broad Street, New York 5, N. Y.

Factors and Commercial Finance Companies with particular reference to **Standard Financial**—Bache & Co., 36 Wall Street, New York 5, N. Y.

Fire Casualty Insurance Stocks—Analysis—Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

Japanese Economy — Analysis in current issue of "Investor's Digest"—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. In the same issue are reviews of the **Japanese Construction Industry**, and **Sugar Refining Industry**. Also available are reports on **Kansai Electric Power Co. Inc.** and **Chubu Electric Power Co., Inc.**

Japanese Economy — Review of economy and securities including a list of the 10 top securities in the overseas market—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, 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**.

Natural Gas Package—Review—James Richardson & Sons, Inc., 14 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.

Photography Industry — Report—Stern, Frank, Meyer & Fox, Union Bank Building, Los Angeles 14, Calif. Also in the same report is a survey of **Polaroid Corporation**.

Products and Processes — Booklet on work in chemicals, carbons, gases, metals plastics and nuclear energy—Booklet L, Union Carbide Corporation, 270 Park Ave., New York 17, N. Y.

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

Western Europe — Discussion of area for investment consideration—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

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Albertson's Inc.—Card memorandum—Pacific Northwest Company, 1000 Second Avenue, Seattle 24, Wash.

Algoma Steel Corp. Ltd.—Data—Draper Dobie & Company, Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada. Also in the same circular are data on **Page Hersey Tubes Ltd., Falconbridge Nickel Mines, Ltd., Toronto Dominion Bank** and **Salada Shirriff Horsey Ltd.**

Alico Land Development—Memorandum — Johnson, Lane, Space and Co., Inc., Bay & Drayton Sts., Savannah, Ga. Also available are memoranda on **Insurance Co. of the South** and **Savannah Sugar Refining**.

American Marietta Company—Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available are analyses of **United Shoe Machinery** and a bulletin on the tax-free dividend status of **California Oregon Power, Pacific Power & Light**, and **Portland General Electric**.

American Motors—Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Shell Oil Company**.

American Seating Company—Report — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **United States Steel Corporation**.

American States Insurance Company — Analysis — City Securities Corporation, Circle Tower Indianapolis 2, Ind.

Anodyne Inc. — Data — Globus & Co., 660 Madison Avenue, New York 21, N. Y. Also in the same issue of "Science and Investment Survey" are data on **Dymo Industries** and **Radiation Inc.**

Babcock & Wilcox — Report—Droulia & Co., 25 Broad Street, New York 4, N. Y.

Bausch & Lomb — Review — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are reviews of **Continental Can** and **Western Union Telegraph Co.**, a discussion of attractive **Railroad Stocks**, and an analysis of **Canada Dry Corp.**

Bobbie Brooks Inc. — Report in September Investment Letter—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also in the same issue are data on **Decca Records** and **Crowell Collier**.

Brunswick Corp.—Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Miehle Goss Dexter**.

Brush Beryllium — Report—Stearns & Co., 72 Wall Street, New York 5, N. Y. Also in the same circular are data on **Jarrell Ash, Laboratory For Electronics** and the **Steel Companies**.

Coastal States Gas Producing — Memorandum—Blair & Co. Incor- York 5, N. Y. Also available are memoranda on **Rochester Gas & Electric** and **United Shoe Machinery**.

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

Consolidated Water Power & Paper Company — Report—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis.

Continental Assurance Company—Analysis—William Blair & Company, 135 South La Salle Street, Chicago 3, Ill.

Diversa Inc.—Analysis—Hein Co., 150 Broadway, New York 38, N. Y.

Dunn Engineering Associates, Inc.—Analysis—Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass.

Food Fair Properties, Inc.—Analysis — Charles A. Taggart & Co., 1516 Locust Street, Philadelphia 2, Pa.

Food Giant Markets — Report—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

General Outdoor Advertising — Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available are memoranda on **Page Hersey Tubes** and **New England Electric System**.

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

Green Shield Plan Inc. — Report—Copley and Company, Inc., 409 North Nevada Avenue, Colorado Springs, Colo. Also available are reports on **Cryogenic Engineering Co.** and **Denab Laboratorieis**.

Helene Curtis Industries—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif. Also available are analyses of **Pabst Brewing Company** and **Liberty Records Inc.**

Insterstate Engineering—Bulletin—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available are reports on **Johnson Service, Stouffer Corporation, Frito Company** and **Thermo King Corporation**.

John Labatt Limited — Analysis—McLeod, Young, Weir & Company Ltd., 50 King Street, West, Toronto, Ont., Canada.

E. J. Korvette—Report—Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y.

R. H. Macy & Company — Analysis—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Magnavox Co. — Analysis — Parrish & Co., 40 Wall Street, New York 5, N. Y.

Marine Petroleum Trust — Report—Carothers & Company, Inc., Mercantile Bank Building, Dallas 1, Texas. Also available is a report on **Tidelands Royalty B.**

Mead Johnson — Analysis — Biunt Ellis & Simmons, 111 West Monroe Street, Chicago 3, Ill.

Minute Maid Corporation—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Minute Maid — Memoranda — Hardy & Co., 30 Broad Street, New York 4, N. Y.

Montgomery Ward — Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Motorola — Data — Goodbody & Co., 2 Broadway, New York 4, N. Y. In the same circulare are data on **Zenith**. Also available is a report on **19 Stocks With Attractive Price Earnings Ratios**.

New York State Thruway Authority — Bulletin — The Illinois Company, Incorporated, 231 South La Salle Street, Chicago 4, Ill.

Northrop Corporation—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Simplicity Pattern Co.**

Olivetti—Review—Cooley & Company, 100 Pearl Street, Hartford 4, Conn.

Onyx Chemical—Analysis—Boenning & Co., 1529 Walnut Street, Philadelhpia 2, Pa.

Outboard Marine Corporation — Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a discussion of **Union Bag Camp Paper Corp.** and a bulletin on **Technicolor**.

Pacific Automation Products—Report—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Pittsburgh Plate Glass Company—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available is an analysis of the **Gross National Product**.

Remco Indsutries—Memorandum—Kentucky Company, 320 South Fifth Strfeet, Louisville 2, Ky.

Renner, Inc.—Memorandum—Saunders, Stiver & Co., Terminal Tower Building, Cleveland 13, Ohio.

Reserve Insurance Company—Analysis—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Reynolds Metals—Report—Purcell & Co., 50 Broadway, New York 4, New York.

Ryder System, Inc.—Analysis—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y. Also available is the September *Market and Business Survey*, which also contains data on **Ex-Cell-O, Cincinnati Milling Machine, National Acme, Tomotor**, and **Cross Company**.

San Diego Imperial Corporation—Analysis—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Sierra Navada Co., Inc. — Report—W. C. Doehler Co., 15 Exchange Place, Jersey City 2, N. J.

South Coast Corp. — Analysis — Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

Struthers Wells Corporation—Analysis—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Tennessee Corp. — Review — Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a study of **Tractor Supply Co.**

Tennessee Corporation—Review—Schirmer, Atherton & Co., 50 Congress Street, Boston 9, Mass. Also available are data on **Whitin Machine Works, Laboratory for Electronics** and **Copeland Refrigeration Corp.**

Tennessee Gas Transmission Co.—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Thomas & Betts Co.—Analysis—H. B. Shaine & Co., Inc., McKay Tower, Grand Rapids 2, Mich.

Transwestern Pipeline Co. — Analysis — Straus, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill.

Tubos de Acero de Mexico, S. A.—Report—Intercontinental, S. A., Paris 15, Mexico 4, D. F. Mexico.

Union Gas Co. of Canada Ltd.—Memorandum—Watt & Watt, 6-8 Jordan Street, Toronto, Ont., Canada.

United Carbon — Memorandum — Pershing & Co., 120 Broadway, New York 5, N. Y.

United Insurance Company of America—Report—Allied Investment Agency, 1559 West Devon Avenue, Chicago 26, Ill.

United Pacific Corporation—Analysis—Blanchett, Hinton & Jones, Inc., 1411 Fourth Avenue Building, Seattle 1, Wash.

Universal Oil Products Company—Report—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are data on **American Smelting and Refining Company, Minnesota & Ontario Paper Company, Olin Mathieson Chemical Corp.**, and **Thermo King Corp**

Washington Steel Corporation—Analysis — Charles A. Taggart & Co. Incorporated, 1516 Locust St., Philadelphia 2, Pa.

Westinghouse Air Brake Co. — Analysis — Hallowell, Sulzberger Jenks, Kirkland & Co., Philadelphia National Bank Building, Philadelphia 7, Pa. Also available is a report on **Melpar Inc.**

Whitin Machine Works — Appraisal—Woodcock, Moyer, Fricke & French Inc., 123 South Broad St., Philadelphia 9, Pa. Also available are memoranda on **Schaevitz Engineering** and **New Jersey Natural Gas Co.**

Wisconsin Power & Light Co. — Memorandum—A. G. Edwards & Sons, 409 North Eighth Street, St. Louis 1, Mo.

Zale Jewelry — Report — Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

Stroben Named By Hayden, Stone

CHICAGO, Ill. — Donald R. Stroben has been appointed Manager of the Corporate Department, Chicago office of Hayden, Stone & Co., 141 West Jackson Blvd., members of the New York Stock Exchange. He was formerly associated with Glore, Forgan & Co. in Chicago in its New Business and Underwriting Department.

Puerto Rico's Tax Exemption Program and U. S. Investor

By R. Palmer Baker, Jr.,* *Partner, Lord, Day & Lord, New York City*

Analytical legal appraisal is made of the "enormously attractive" investment situations available for American business in Puerto Rico. Mr. Baker briefly outlines the advantages which the Commonwealth tax exemption program holds for mainland investors and then describes the United States income tax arrangements which can be made to obtain these advantages. This paper illustrates the points made by going over the various investment vehicles available and by distinguishing the benefits of the various programs from each other. Rather than wishing to over-emphasize the attraction of a tax-free liquidation before the end of the exemption period, Mr. Baker makes the reminder that in most cases the investor may prefer to continue the business beyond the exemption date because of regular inducements under usual tax laws.

The source of Puerto Rico's advantages to mainland investors lies in the fact that the United States internal revenue laws do not apply in Puerto Rico. Instead the Commonwealth has its own system of taxation, now incorporated in the Puerto Rican income Tax Act of 1954. This system is readily understandable to business men from the mainland, because it generally follows the Internal Revenue Code of 1939. I shall come back to it again at the end of my paper. The important point here, however, is that the way was constitutionally open to the Commonwealth to offer a dramatic tax incentive to investment from the mainland.

The Industrial Incentive Act of 1954 is an extension and modification of the successful tax exemption program initiated in 1947. Several types of exemption are now available for eligible new businesses which make application before Dec. 31, 1963. Eligibility extends to the manufacture of the wide range of goods not produced in Puerto Rico on Jan. 2, 1947, and also to the production of a considerable list of designated additional articles, from artifical flowers to paperboard and paper pulp. The income earned from such businesses, and from property made available for the use of these businesses, is exempt from tax for a period of 10 years. In addition—and manufacturers with experience in overseas operations will be particularly appreciative of the following—there is an exemption from insular and municipal property taxes for a period of from 5 to 10 years, and from municipal fees and excises for 10 years. Tourist hotels are also entitled to these exemptions, and commercial hotels receive a 50% exemption.

Worthwhile Repeating

It is worthwhile calling this enormously attractive program to the attention of American business again. The exemption is granted by the Governor, who administers the program through the Industrial Tax Exemption Office. Once granted, the exemption has the protected status of a contract between the exempt business and the Commonwealth. In the absence of fraud, it can be revoked only because of failure to comply with the Act or because of arbitrary interruption of production by the exempt business for more than 30 days. In order to prevent abuses from trading or speculating in the exemption, certain transfers of property or interests in the exempt business require the approval of the Governor during the exemption period. However, partnership and stock interests may be freely sold if a change of control does not result, and otherwise may be salable with the Governor's approval. There is no inhibition on transfers by operation of law or death or as a pledge to secure debts. Finally, and of obvious importance, no approval is required to liquidate an exempt corporation which is an 80% or more owned subsidiary of another corporation, domestic or foreign.

How is a United States investor to take advantage of this program? If the business can be kept free of United States tax, its earnings for 10 years will be entirely available for accumulation and reinvestment in the business—or elsewhere. As a further incentive, the usual Puerto Rican withholding tax of 30.45%[1] on distributions to non-residents (20% if to United States citizens, not including corporations) will not apply if the exempt business, conducted in corporate form, is liquidated before the end of the 10-year exemption period. Similarly, sales of the stock during that period will not be taxed in Puerto Rico, and on sales after the end of the exemption period only the post-exemption appreciation in value over cost will be taxed. Finally, there is an inducement to retaining ownership and keeping the corporation alive in that the earnings of the first seven exempt years can be paid out as dividends free of withholding tax at any time within 15 years from the start of the exempt operations if the recipient either resides in Puerto Rico or does not have to pay tax to another jurisdiction. The latter qualification makes sense, because a United States citizen and resident, for example, can credit the Puerto Rican withholding tax against his United States tax liability.

How is the United States investor to take advantage of this pattern? Let us take the situation of the corporate investor first.

Advantages to the Corporate Investor

The Puerto Rican branch profits of an ordinary United States corporation would be fully subject to tax in the United States. A separate subsidiary corporation is therefore required to carry on the exempt Puerto Rican business, and obviously this must be a corporation with special status under the United States tax laws. In fact there are three choices—a Western Hemisphere Trade Corporation; a domestic United States corporation which qualifies for the benefits of Section 931 of the Internal Revenue Code; and a Puerto Rican corporation.

The Western Hemisphere Trade Corporation is a familiar vehicle, but it is not very satisfactory for Puerto Rican operations. The Code defines it as a domestic corporation which meets each of these three tests:

(1) 95% or more of its gross income must be derived from sources outside the United States.

(2) 90% or more of its income must be derived from the active conduct of a trade or business.

(3) All of its business, other than incidental purchases, must be done in continental North, South and Central America, or in the West Indies.

Such a corporation receives a special deduction which results in maximum United States tax burden of 38%, or 14 points lower than the usual tax rate. Even this lesser burden, however, reduces the attraction of the Puerto Rican exemption. Moreover, dividend distributions to the parent out of the Puerto Rican earnings are subject to the approximate 30% Puerto Rican withholding Tax.[1] The bulk of this tax cannot be absorbed by way of credit against the United States tax which has to be paid at the maximum intercorporate rate of 7.8% on the dividend. Hence the overall Puerto Rican and United States tax burden come to about 57%.

Considered a Foreign Corporation

The answer for the investor in this case stems from the fact that the United States does not tax the earnings of a **foreign** corporation unless these earnings are derived from sources within the United States. A Puerto Rican corporation is considered to be a foreign corporation. And, under section 931 of the Code, a domestic corporation may be treated like a foreign corporation if it earns enough of its income in Puerto Rico. Through the use of one of these vehicles, the Puerto Rican income may thus be kept within the corporation free of both United States and (during the exemption period) Puerto Rican tax. **In each case, dividend distributions to the United States parent bear the full rate of corporate tax, since the 85% deduction, available on dividends from most domestic corporations, with the resulting maximum rate of 7.8%, does not apply. However, in this circumstance, the Puerto Rican withholding tax does not impose an additional burden, since it is wholly absorbed as a foreign tax credit.**

A domestic corporation qualifying under section 931 has one material advantage over the Puerto Rican corporate form. Because it is a domestic corporation, it may be liquidated tax-free into its United States parent if the parent owns at least 80% of its stock (other than non voting stock limited and preferred as to dividends). Theoretically, therefore, all of the Puerto Rican profits of such a corporation can, if accumulated, be brought home to the United States free of any tax. By way of contrast, a Puerto Rican corporation, like other foreign corporations, cannot be liquidated tax-free without the prior approval of the Commissioner of Internal Revenue under section 367 of the Code. This approval has been granted in some recent situations, but it is not easy to convince the Commissioner, as the statute requires, that a principal reason for the Puerto Rican arrangement is the avoidance of Federal income taxes. Accordingly, the liquidation of a Puerto Rican corporation will normally entail a 25% capital gains tax.

The difficulty with a domestic corporation under section 931 is that all of the benefits of the section may be lost if there is not meticulous adherence to its statu-

Continued on page 22

1 To be reduced to 15% under recent legislation, effective July 31, 1961, if the payer is engaged in manufacturing in Puerto Rico.

Moderate Business Recession Ahead

By William F. Butler,* *Vice-President and Economist, Chase Manhattan Bank, New York.*

Leading bank economist, while asserting that 1960 will be recorded as a good year, foresees a subsequent serious downturn to follow in early 1961. Excepting for a major step-up in defense spending, he believes no Government anti-recession action could be invoked promptly enough to be effective. Dr. Butler notes profits squeeze resulting from rising unit labor costs. Foresees cutback in auto sales furthered by self-imposed consumer credit restraint. Citing slow-down in economy's over-all growth rate, advocates remedy via reduction of tax burden on saving and investment, and holding wage rate rises within economy's ability to pay them. Warns against massive Government spending as anti-recession method.

The present prospect is that business should pick up moderately after Labor Day. Steel operations should move higher. Auto output will run at a high rate as inventories of 1961 models are amassed. Business still plans to carry out capital expenditure programs for 1960, which means a sustained high level of expenditures in this key area.


William F. Butler

Thus 1960 will go down on the books as a good year for general business, though not a boom year. In some respects it will prove a disappointing year in that sales in many lines will fall short of earlier expectations. Yet it will be a year of record highs in production and employment without inflation—and that's a considerable accomplishment.

At the same time, it now seems clear that the economy is approaching a downturn into the recession phase of the business cycle. While the precise timing of the turning point can be affected by decisions yet to be made by business and government, the downturn will probably come in early 1961. However, it could come late this year if a move to cut capital expenditures and pare inventories in anticipation of a recession should gain sufficient momentum.

Sees Similarity to Previous Recessions

The present prospect is that the 1961 recession should prove to be generally comparable in intensity and duration with the three previous recessions. In some significant respects, the economy is better situated to resist downward pressures than was the case in 1957. However, it should be remembered that the postwar business cycle pattern has involved a decline in industrial production of 10-15% in the year immediately after the downward turning point, followed by three years of recovery and good business.

These prospects could be changed if international developments should call for a significant step-up in the defense effort. Short of that, it is unlikely that the new Administration could take action rapidly enough to have much effect on the course of the recession phase of the cycle. However, actions taken to spur recovery in 1961 could have profound implications for the future growth and prosperity of the nation.

There are a number of cogent reasons for expecting 1961 to be a recession year. Of these the most significant is the prospect of a decline in business investment in new plant and equipment.

Plant and equipment expenditures in current dollars have not regained their 1957 peak. This lag in investment reflects the lag in profits — corporate profits after taxes in the first quarter of this year were only 5% above the previous peak in the first quarter of 1957. The lag in profits is explained by two developments:

Wages have continued to increase more rapidly than output per man-hour, raising unit labor costs about 2% per annum.

Prices of industrial products have held stable for more than a year, and the average annual rise since 1957 is one-half of 1%.

The Profits Squeeze

Thus, profits have been squeezed by rising unit labor costs. A decline in the rate of profit invariably leads to a cutback in expenditures for new plant and equipment. Business must reduce the rate of growth of capital assets in an attempt to maximize the rate of return. This means that only those investment projects which offer a good return can go ahead.

The magnitude of the decline in plant and equipment expenditures is difficult to foresee at this juncture. Most companies are in the process of preparing capital budgets for 1961. However, a statistical analysis would point to the possibility of a 15-20% drop from the end of 1960 to the end of 1961, or somewhat less than that in the 1957-58 recession.

Auto Slow-Down

At the same time, auto sales will probably be lower next year. Instalment credit has risen rapidly in the past 18 months and has reached the point where the current rate of repayment takes 13% of consumer income after taxes. Experience in recent years suggests that individuals are reluctant to incur further debt once this point has been reached. Next year may see repayments on past credits rise above new credit extensions, as was the case in 1958. This could mean a cutback in auto sales from 6.0 million this year to something like 5 million in 1961.

Surveys of consumer attitudes in the past month or two show an increasing reluctance to buy durable goods. People are concerned about the future stability of their incomes, worried about higher prices, and more inclined to defer purchases of autos, refrigerators and other such products.

Inventory Adjustment

Any decline in business sales could touch off a period of inventory liquidation. Inventories are not top-heavy as measured by past standards, and steel inventories are on the low side. Nonetheless, business is trying to economize on inventories so that any general drop in sales could lead to a severe cutback in orders in an attempt to squeeze down the level of inventories.

The shift in inventory buying cut demand by $9½ billion a year in the first six months of the 1957-58 recession and accounted for more than half of the decline in GNP. While there is no way to forecast the possible swing in inventory buying in 1961, it could be comparably large.

Warning Signals

The National Bureau's leading indicators tend to confirm the view that the economy is heading into a recession. The indicators have not yet given an unequivocal signal of an impending downturn. But they have displayed increasing weakness, and now present a picture similar to that 6-9 months before past recessions.

Elements of Strength

While the downward forces at work appear to be powerful enough to bring on a recession, there are also significant elements of strength in the picture. They promise to provide substantial support in the period ahead. In fact, prospects in a number of areas are more favorable than they were in 1957-58. Thus, there is good reason to hope that the 1961 recession will be no more severe than the previous three postwar recessions.

Housing starts could rise from their recent annual rate of 1.3 million to 1.5 million (the rate reached in nearly 1959). While reports are that sales have been sticky in many areas of the nation, the greater availability of mortgage credit plus efforts by builders to meet the price and quality requirements of customers could support such an upturn. Housing expenditures could rise by $2 billion in the next year.

Consumer purchases of non-durable goods and services tend to be maintained in the early stages of a recession and to increase before general business activity turns up. The built-in stabilizers operate to maintain personal income after taxes in the early stages of a recession. By so doing, they support expenditures for non-durables and services and pave the way for an upturn. These expenditures could rise by a $10 billion rate in the year ahead (that is almost one-fourth less than the increase that took place in the first year following the 1957 downturn).

Government expenditures could, on the basis of present budget prospects, rise by some $5 billion in the year ahead. Federal expenditures could go up $2 billion or more — in the declining phase of the 1957-58 recession they showed little increase.

Exports might hold up fairly well, while imports might decline moderately. While the nation's balance of payments position would remain precarious, it might not worsen much in 1961 (in contrast, the swing to deficit was almost $4 billion in 1958).

Moderate Recession

This adds up to the prospects of a moderate recession. Here is how the arithmetic works out:

Declines of the following general dimensions appear in prospect between mid-1960 and mid-1961 (figures in annual rates):

	$billions mid-'60	mid-'61	change $bill'n.	perct.
Plant & eqp.	37.0	32.2	— 4.8	—13%
Consumer durables	44.5	40.7	— 3.8	— 9
Inventories	+5.3	—7.0	—12.3	—
Total	$86.8	$65.9	—$20.9	—24%

Expenditures could increase in other areas:

	$billions mid-'60	mid-'61	change $bill'n.	perct.
Housing	21.3	23.5	2.2	11%
Consum. non-dur. & serv.	284.4	294.3	9.9	4
Governmt.	98.6	105.0	6.4	6
Total	$404.3	$422.8	$18.5	5%

On balance, GNP at annual rates would decline less than 2% from peak to trough.

However, industrial production could drop 10-15% from top to bottom. Output of durable goods might go down 15-20% while non-durables could decline 5% as inventories are worked off.

The above arithmetic illustrates a significant characteristic of the U. S. economy—only about a fifth of economic activity takes place in the volatile area of durable goods production, whereas the other four-fifths displays a great resistance to a general business decline.

This does not mean that a severe and prolonged recession is impossible. Under certain conditions a train of events could unfold to overwhelm the elements making for stability and produce an intractable recession. The odds against such an outcome in the next year or two seem very high.

To sum up, the most probable outlook is that the nation will move into a phase of moderate recession in 1961. The decline in industrial production might run on six to nine months and carry the Federal Reserve Board index down 10-15%. However, the sustaining forces appear powerful enough to generate a renewed advance by late-1961 or early-1962.

Longer-Term Problems

While the economy should recover with reasonable promptness from the recession that seems to lie ahead, there will remain a serious long-term problem of achieving the sort of economic growth of which the nation is capable. Very briefly, the problem is that:

(1) There has been a definite slow - down in the economy's over-all growth rate — from 4% per annum from 1947 through 1955 to 2% during the last four years.

(2) The major reason for this slow-down appears to be a squeeze on profits — unit labor costs have risen more than prices.

(3) Thus the rate of investment in new plant and equipment has been held down and this has slowed the advance in the economy's productive efficiency.

The appropriate remedy involves two things: Reducing the tax burden on saving and investment, and increasing excise taxes if need be; and (2) Holding the rise in wage rates within the limits of the economy's ability to pay them. With the tremendous worldwide responsibilities the nation faces, such actions are essential.

The longer-term danger in the period ahead is that the nation might resort to massive government spending to deal with the 1961 recession and promote economic growth. This route would also sap our economic vitality and not only fail to produce genuine economic growth but it would hence reduce our ability to meet the challenging problems which we confront.

*A report given by Dr. Butler at the Annual Meeting of the American Statistical Association, on Aug. 22, 1960, at Palo Alto, Calif.

First Jackson Securities Corp.

JACKSON, Miss.—First U. S. Corporation of Memphis, Tenn. has announced the opening of another subsidiary, First Jackson Securities Corporation, with offices in the Guaranty Bank Building. This corporation will underwrite and distribute municipal bonds in the State of Mississippi in competition with the parent company.

George L. Lenox, Chairman of the Board of First U. S. Corporation, will also be Board Chairman of the subsidiary. William F. Sutton is President of both companies.

Charles Shapiro is Vice-President and Manager of First Jackson Securities, and Mrs. Martha K. Mize, Secretary.

Morgan Davis Office

HARWINTON, Conn.—Hurlbut G. Clark is representing Morgan Davis & Co. from offices on Burlington Road.

Politics, Prospects and Prices In the American Economy

By Dr. W. L. McMillen,* *Associate Economist, Morgan Guaranty Trust Company of N. Y., New York City*

New York bank economist discerns no recession for the balance of this year; denies we are on a verge of such a downtourn—which he defines; and predicts economic improvement will occur by the middle of 1961. Dr. McMillen's paper covers the spectrum of current economic news, ranging from rate of growth comparison with U.S.S.R. to prospects of inflation, and he criticizes businessmen for not timing their capital expenditures and inventory purchasing more wisely. Too often, he points out, businessmen's "timing of their spending has aggravated an already undesirable situation." The writer also points out certain facts regarding our capacity for economic growth, and the need for removing impediments to growth.

I shall state why I think the outcome of the elections will not greatly affect the course of business in the next two or three years. There is, however, a danger for the longer run in some current political thinking which will create pressure on prices. In the second portion of the discussion I shall attempt to support the view that a serious recession is not impending. Furthermore, I hope to show that those in charge of the purchases for business firms (for inventory and for plant and equipment) have a great opportunity to make a contribution to our general economic stability. In fact, their contributions could result in the next substantial step toward taming the business cycle. Lastly, I shall venture the opinion that prices will be rather stable with only a slight rise during the next six months or so, but over the next five years inflation may reappear as a paramount issue.

Wayne L. McMillen

Political Issues

We are in the midst of our national quadrennial emotional spree. We shall continue on this "binge" under the glare of both footlights and floodlights. The audience is both domestic and worldwide. But Scotty Reston of the New York *Times* has pointed out that when the curtain goes down, the leading man can say, "I am the only President in history from General Washington to General Eisenhower to campaign on Jack Paar's Program. No other President can make that claim!"

Now, the success of the two leading men in the "Drama of 1960" (perhaps even their very political existence) depends on pleasing most of the audience. Both men are young, but it is safe to forecast that one of the two leading men will have plenty of gray hair by Jan. 20, 1965. Our foreign neighbors will, in most part, sit through the drama in relative darkness, confused by the conflict between (a) our preachment to them in regard to political and economic freedom, political and economic sanity, and political, social and religious tolerance on the one hand, and (b) our demand that our own politicians ignore this preachment in their domestic policies. We must watch the play with more detachment and less overt emotional involvement. We should remember that when the curtain goes down and the "good man" has triumphed, he will receive a shock under the cold shower of responsibility. Having washed away the grease paint in this shower, the winner will then muffle the type of appeal he made during the campaign and will bite his lips in embarrassment over promises he has made to us, and then he will go to work and use the real ability which he possesses.

The results will be along these lines (1) he will do much less than than he promised, and he should receive our gratitude for this; (2) he will be more considerate of the interests which he has denounced, and for this we should be grateful; (3) if the winner is the one you and I label as the "good man," there will be a bias in his administration toward our basic beliefs. This bias will not be as great as we have been led to believe; (4) if the winner is the one we've labeled as the "bad man," there will be a bias away from our basic beliefs. Also, it will not be as extreme as we have been led to believe.

So **we should have a favorite** unless we have become confused about our basic beliefs. But we should not be misled into thinking the country will go to the dogs unless our favorite wins.

This paper does not permit a thorough discussion of the domestic issues. For this reason, I have selected only a few of them. Should the government play a greater role in the economy? Too often we think of "the government" only in terms of the Federal Government. It seems more remote and we are inclined to rationalize that somehow it's the "other fellow" who is paying the Federal bills. But many of roles the Federal Government plays should be that of state and local governments.

How should the local governments pay the bill? There is **one** way and **only** one way. It must be taken from the actual or potential income of the consumer and given to the government. Then, which consumers shall be the goats? The logical answer is that **all** of us as consumers should be the goats **if the expenditure is reasonably necessary** (with the exception of those unfortunate consumers already being aided by government charity or with incomes so low that a greater burden on them would be morally untenable—the governments have already assumed the responsibility of helping them).

Comments on Growth Comparisons

Is our economy growing fast enough? My observation is that almost every industry in the United States is eager and waiting to grow. If **not** growing, some impediment to growth is the cause, such as a limited market, inability to expand productive capacity, or costs that are relatively too high.

Has our economy grown as fast as that of the Russians? Perhaps not, but data indicate that the economies of West Germany, Greece, and Japan have grown more rapidly than that of Russia. In our lifetime will Russia overtake us? I doubt it. With current prevalent reasoning, you can just as properly argue that West Germany will overtake Russia for the growth rate in West Germany seems higher than that in Russia, just as that of Russia is higher than ours.[1]

We dare not underestimate Russian competition, but we must not be panicked by unjustifiable fears, some of which may be politically inspired. According to the New York *Times*, Krushchev told the American labor leader, Mr. Curran, that Russia would produce 71 million tons of steel in 1960, 78 million in 1961, and 100 million in 1965, and 265 million in 1980. While we should not necessarily assume that Khrushchev is infallible, or even that he is truthful, let's take him at his word for the sake of argument. If the 265 million is for real rather than just a dream and we felt we also needed this much steel two decades hence, we'd have to increase our production from the estimated 115 million tons for 1960 to 265 million in 1980. Our rate of increase would have to be 4.2% per year (vs. Russia's 6.8%). It is quite interesting that this is exactly the average rate of the increase in American steel production for the past 22 years.[2] Furthermore, it's the exact annual rate of increase in the United States for the period 1948-49 through 1955. It is also the rate of growth so far during this century. To meet Khrushchev at least in steel production does not seem to be such a chore for us. Of course, with Russia's larger population Khrushchev's per capita production would still be considerably below ours. If there were an emergency we could increase production by about 35 million tons in 1961 without adding a single building or a single machine. This is more than the 29 million ton increase he hopes for in the next five years. One should not forget that Russia, starting on a much lower level and with a war-shattered country, had a lot more growing to do than we did in the postwar period. One can see no need for such growth in steel in this country, and I'd venture to say Russia will approach the point where **she** has no such need. The nature of a growth curve is such that in the earlier stages growth is at a much higher rate, such as in this country near the turn of the century.

Somewhat irrelevant, but illustrative, is the fact that my son grew at the annual rate of 22% during his first 5 years (starting with 60% the first year), a rate of 4.9% the second 5 years, 3.5% the third and 1% the fourth 5-year period. He is now 6 feet and doesn't need to grow much more. **The Russians are not, and will not be, 10 feet tall.**

What can Government do in order to release industry's natural desire to grow? Let us first try removing some of the **impediments** to growth and I believe growth would accelerate to our satisfaction. The greatest impediment is the discouragement of investment and saving. The high tax rates on income and the tax policies on depreciation of productive property should be changed. Let's reduce the more extreme tendencies toward monopoly, whether of the business firm or of labor. One of the impediments to growth is that of high costs (and thus low profits). The biggest single cost is that of labor. We know that monopoly power pushes up prices and this applies to the price of labor. We want high wages as long as they are the result of productivity. We can't afford them if they're merely the consequence of labor monopolies. Let's apply equal rules in regard to monopoly —whether it is monopoly of producers or of labor. Having done these things, let's permit growth to the point markets will absorb it under the new conditions.

I shall indirectly point up a few other issues by the statement of a few rather unrelated facts. Interest rates **are** and **have been** lower in this country than those in most every country of the free world, and also lower than they were in this country during the first third of this century.[3] Money has not been so tight during the past decade as to prevent consumer debt and home mortgages from increasing about twice as fast as the income of the people.

What happened to our economy this summer? Things were going so nicely in January—it seemed a shame to break up the party. But a little later many businessmen were shocked to find that the purchasing end of companies reduced their rate of ordering. About the same time the stock market suffered a violent attack of common sense. Also interest rates began to fall. What caused the cut in orders? Perhaps a hypothetical businessman could have protested, "Why can't you be really nice, sensible people and keep sending me an order for 100,000 "swidgets" each month? Secretaries could even handle it—and then life wouldn't be so complicated for me. Now, because of purchasing decline, my own purchasing department will have to cut down its ordering. Because we thought orders would come in at a boom rate, at least throughout the first half of the year, my company ordered too much steel."

The mistakes were due to the fact that the 1959 steel strike had "discombobulated" the entire economy. We had had rather recent experience with steel strikes but they were shorter ones and they came at a time when there was not such a gap between normal demand and normal capacity.

The foregoing was about **all** that happened which was of special note during the first half. Fortunately the consumer did not become confused and went merrily on **his** way. So did the Government, and so did the foreign buyer. In a postmortem of what happened one may eliminate inventory fluctuations and then look at the rest of the economy. By subtracting the rate of inventory change from Gross National Product we have what economists refer to as Final Sales. Final Sales went up through the second half of 1958, throughout 1959 and at even an accelerated rate during the first quarter of 1960. Amazing as it may seem, this accelerated rate continued through the **second** quarter. Clearly the culprit was violent inventory fluctuation.

Politics and Job Figures

How about jobs? The involuntary idleness of any substantial

Continued on page 24

[1] Of course such an approach should also prove that Taiwan, Japan and Greece will overtake Russia, especially Japan.

[2] Of course production during these years had not reached the boom rate for 1929. But there had been substantial recovery from the low levels of 1931-34. It's unfair to select one year, such as the depressed 1938 as a base, so I have averaged the three years 1937, 1938 and 1939 to form the base for volume. 1937 was at the peak of recovery *before* the recession, and 1939 was a year of recovery *from* the recession. So 1938 was considered the base only for the purpose of calculating the number of years, but the steel volume for the base year was assumed to be the average for the three years.

[3] The Federal Government gets back (through tax) half of its interest payments to corporations. About 10% of the *net* interest cost goes to commercial banks which not only rent some money to the Government but act as underwriters for the Government. Most of the Government's interest payments go to the "common man" as payment for the use of his savings, including payments to mutual insurance companies, savings banks, savings and loan associations—also to state and local governments, pension funds, etc.

Over-the-Counter Market —What It Offers Investors

By Maurice Hart,* *Vice-President, New York Hanseatic Corp., New York City.*

Aware of the incongruous fact that the "over-the-counter" market is the world's greatest and yet the least known, Mr. Hart outlines the scope and mechanics of this market in order to make better known its portfolio building potentialities. In one of his comments, he shows why the floor specialist has an easier job than the over-the-counter trader who competes with as many as 15 or 20 other traders in the same issue. Noting the increased interest being manifested in the unlisted market, Mr. Hart foresees a greater growth for the market as our economy expands.

The term "over the counter" probably originated when men bought and sold securities pretty much the way they bought or bartered supplies in a store or mill. I presume when the Stock Exchange was organized securities which were not traded on the Exchange were referred to as those "over the counter" and perhaps for lack of a better term the name stuck.


Maurice Hart

The Over-the-Counter Market is also frequently referred to as the Unlisted Market.

The scope of the Over-the-Counter Market is so wide, the number of issues traded is so large, and the volume is so, I might say astronomical, that it has been called, and I think rightly, "the world's greatest market." Nevertheless, it is the least known and I am sure the least understood, not only by the investor, but to a great extent by the securities industry itself. There are many misconceptions on the Over-the-Counter Market . . . some of them quite humorous. Recently I was part of a golf foursome. One of the members of the team was a gentleman whom I met for the first time. He asked me casually what business I was in. When I mentioned Wall Street and added over-the-counter securities, this was his reaction. "Say," he said, "You fellows have some racket." "Why do you say that," I asked. "Well," he went on, "I see you bring out a stock at $3 or $4 a share and it goes to 9 or 10 the same day. Wow, what a mark-up." Perhaps his ignorance is excusable. But even among professionals, it seems to us in the Over-the-Counter Market there is an amazing misunderstanding of the Over-the-Counter Market's functions and mechanics.

The other day I had lunch with a senior partner of a stock exchange firm. "By the way," he said, "you made $1,000 on some business we gave you yesterday." Naturally I thanked him and asked "What was the order?" He said, "We sold you 100 shares of stock 'X'." He must have been surprised at my startled look. "Well," he continued, "your trader made the market 200 to 210." "How do you figure we made $1,000," I inquired. "That's easy," he replied in all sincerity, "we sold you 100 shares at 200 and you probably sold it at 210 . . . that's $1,000."

It so happens that the stock referred to has a very volatile market, and frequently trades in 50-share lots or even less. He was completely ignorant of the fact that our trader who maintains the market in the stock might be assuming a market risk which could have easily resulted in a sizable loss.

A Closer Look

Now let's take a closer look at the Over-the-Counter Market. What is its function or purpose? How important is it to our American industry and economy? How big is it? How does it operate? What makes it tick? The Over-the-Counter Market has no market place but is conducted by dealers all over the country, practically all of whom are members of the National Association of Security Dealers. The association was established by an Act of Congress for the regulation of the over-the-counter business in conjunction with the Securities and Exchange Commission.

One of the primary functions of the Over-the-Counter Market is to supply venture capital and season new securities that come on the market. The Over-the-Counter Market makes it possible for the small business as well as the large, newly formed corporations to have a public market place for the securities they issue. Without the Over-the-Counter Market industry would find it much more difficult to raise the capital funds our constantly growing economy requires.

The utilities, natural gas, chemicals, drugs, oil, Radio and TV, minerals and most recently electronics are some of the industries which in the early days of their development required enormous amounts of venture capital, most of which was raised primarily through the medium of the Over-the-Counter Market. A large percentage of the stocks now listed on the stock exchanges came from the Over-the-Counter Markets . . . such popular trading favorites as Polaroid, Ampex, Transitron, Upjohn, and Pfizer and many others were all formerly traded over the counter.

How big is it? Well, let's see. There are more issues of securities traded over the counter than are listed on all the national exchanges combined. Here are some figures supplied by the National quotation Bureau, publishers of the "pink sheets." These sheets are published in three sections . . . Eastern, Western and Pacific Coast. On an average business day all combined sections will carry approximately 26,000 listings or quotations of over 6,000 individual stock issues and approximately 1,800 bond issues. In the course of a year an average of 25,000 issues will be covered in the daily service. Certainly the value of all unlisted securities far exceeds the value of listed securities. Government bonds alone, which are almost entirely traded in the Over-the-Counter Market, amount to some $150 billion. Municipal bonds outstanding represent some $60 or $70 billion and mutual funds about $15 billion. When we add to these, banks, insurance companies, utilities and industrial corporate securities, it must run into space-like figures.

How active is it? There are, of course, no official volume figures for over-the-counter trading, but perhaps I can give some indication based on our firm's activities. In New York our stock trading department comprises a staff of about 40 people. For the handling of our daily volume and to service the thousands of calls we have six telephone turrets, each consisting of 200 interconnected lines. Except for the extensions to our central switchboard these lines are direct private wires to banks, brokers and dealers. We also have direct open telephone lines to Boston, Philadelphia, Washington and New Haven. A well trained and experienced staff of 24 men made up of traders, assistants and order clerks service these telephone wires and also the inquiries that emanate from our nationwide wire system which in turn requires the help of some 10 teletype operators, 3 card girls who record each trade and believe it or not a board boy. We have a large quotation board with about 300 of the issues in which we trade. We actually maintain markets and take positions in over 500 different issues. In an active day we will put through anywhere from 1,500 to 2,000 or more trade tickets. Frequently the volume of business transacted in our trading department compares favorably with all except the major national exchanges.

Our bond trading department also requires a large staff and is a very active department. More so recently, of course, with the increasing interest in bonds by institutional and individual investors. I might add that we do business in over the counter securities all over the world. While our trading department is considered one of the largest of its kind there are, of course, numerous trading departments of various sizes not only in New York but in financial centers all over the country.

Explains Mechanics of Trading

Most over-the-counter dealers are retailers of securities. In order to do so they must not only have a steady supply of the securities they are retailing but also a market in which to execute their selling orders. Many dealers on the other hand have little or no interest in retail distribution but prefer to do a trading business: That is they maintain trading markets in securities in which they decide to specialize. Without these trading organizations the over the counter business would find it hard put to operate.

The questions are often asked, "How does a trading department work?" "How do they pick the stocks they specialize in or trade?" "What exactly does the trader do?" The decision in which stocks to specialize is arrived at in many ways. The trading departments of underwriting firms for instance usually specialize in the stocks with which the firm has become associated through various underwritings, and which are traded over the counter. In the case of stock exchange firms, the trading department usually specializes in the over-the-counter securities in which the firm or research department recommends to their clients.

In the strictly over-the-counter trading organizations, the decision as to which stocks to trade in or specialize are arrived at in various ways. In most firms of this type the partners are usually active in the trading department and make the decisions. Their choice may be dictated by the interest that seems to develop in a proposed new issue: It may be suggested to them by their own research department, if they have one, or reports from statistical services to which they subscribe, articles in financial periodicals or by an exchange of ideas with other trading houses.

Interest in proposed new issues is usually indicated by the calls received from large stock exchange firms inquiring whether a market will be made in a new stock. When widespread interest is evident we usually add the stock to our trading list as soon as it is released from registration by the SEC. If we are members of the underwriting group, we are not permitted to trade a stock until the syndicate expires.

Describes Trader's Functions

No discussion of over-the-counter trading or trading departments can be complete without a description of the functions of the trader, the hub of the over-the-counter business. Traders are a very essential, perhaps the most essential, part of the over-the-counter business and over-the-counter trading is a very exacting profession. Answering the thousands of telephone and teletype calls that come in daily to an active trading department, they must be prepared to buy and sell the securities in which they maintain trading markets. This they do for the account of their firm whether they have an order or not. Except for commission orders, the firm acts as principal and assumes a market risk. The expert trader must be adaptable and versatile to the constantly changing market winds. Some top traders make markets in as many as 75 different issues. Thus, he may be both bearish and bullish at the same time. The trader's plans must always be subject to immediate change and he must adjust himself equally to new market conditions. Although a trader may specialize in any given stock he is not alone in the field. In some cases there may be as many as 15 or 20 other houses trading in the same security. In this the over the counter trader differs from the specialist on the floor of the Stock Exchange. The floor specialist has a decided advantage as all the orders in the stock in which he specializes are funneled through him. In the case of the over-the-counter trader, it is a free-for-all. While the trader reads the financial pages, watches the broad tape, even the stock ticker, and is helped by the information given him by the research department, he frequently has to depend on instinct, his feel of the market and a certain sixth sense.

Offers Top Portfolio Choices

The interest of investment security analysts undoubtedly lies in what the Over-the-Counter Market offers in the way of investment for their clients' portfolios. In this respect the Over-the-Counter Market offers a tremendous variety. It is certainly a market of extremes. From Government, municipal and triple A corporate bonds to low-priced speculative issues. The securities of some of the world's largest and most successful corporations are available only over the counter. The stocks of the largest banks, insurance, and many utility companies are traded almost entirely over the counter, as are the securities of the World Bank. In addition, there are, of course, the railroad equipment trusts and many Canadian and foreign securities. To these we must by all means add the electronic stocks so currently popular.

Of course, there are many low-priced stocks but on the other hand there are stocks like Christiana Securities which sell around $13,000 per share. Shares of the world's largest lumber company, Weyerhaeuser Timber, are traded over the counter as are those of Time, Inc., the world's largest publisher. The Grinnell Corporation (the largest fire extinguisher company), Anheuser-Busch, American Marietta, American Express, Bank of America (the world's largest bank), and Aetna Life & Fire Insurance Company are available only over the counter. All of these, of course, are familiar names and I could go on and name hundreds of others. During the past few years a large interest has developed among shrewd investors in the excellent opportunities offered in foreign securities—the stocks of such fine corporations as Phillips Lamp (the European General Electric), Unilever (one of the world's largest soap and cosmetic companies), Bowater Paper (the well-known English paper company), and Farbenfabriken Bayer (the large German chemical-drug corporation).

The research departments of the stock exchange firms are constantly scrutinizing listed securities for possible interesting situations. It seems to me that the Over-the-Counter Market, because of its large variety, offers a security analyst a very challenging opportunity.

Keep in mind that every new issue is first traded over the counter even if it's slated to be listed eventually.

Hundreds of stocks now listed on the New York or American Stock Exchange were formerly traded over the counter.

Increased Interest in Over-the-Counter Issues

The interest in over-the-counter securities has increased greatly in recent years. A further indication of this is evident by the number of stock exchange firms who have either opened or enlarged their over-the-counter trading department and a number of them have issued pamphlets to acquaint their clients with the opportunities for investment in over-the-counter securities. As our economy expands and new industries are developed there will be a constant flow of interesting new issues that will be offered to the public. In addition, many fine family-owned firms will probably be going public. Thus there will be many new opportunities for investment in future growth companies. As heretofore they will all first be available only on the Over-the-Counter Market.

*An address by Mr. Hart before the New York Society of Junior Investment Analysts on Aug. 24, 1960.

J. A. Brady With Greene & Company

John A. Brady has joined Greene & Company, 37 Wall Street, New York City, in their trading department.


John A. Brady

Mr. Brady was formerly associated with Spencer Trask & Co. since 1943.

Wachtel Joins A. T. Brod & Co.

WASHINGTON, D. C.—Sidney B. Wachtel, former economist with Laidlaw & Co., has been appointed Director of the Investment Advisory Department, and Manager of the Washington office of A. T. Brod & Co., 931 Fifteenth Street, Northwest, members of the New York Stock Exchange.

Before entering the brokerage business, Mr. Wachtel held several government financial posts, the most recent being with the Treasury Department's Office of International Finance.

Prior to that, he was associated with the Department of Economics of New York University.

Dominick Firm To Admit Two

Dominick & Dominick, 14 Wall Street, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Andrew V. Stout, Jr., and John Morrissey to partnership.

Harry Johnson Opens

(Special to THE FINANCIAL CHRONICLE)

MILL VALLEY, Calif. — Harry Johnson is engaging in a securities business from offices at 288 Miller Avenue.

How Mutual Funds Can Meet Life Insurance Competition

By Norman F. Dacey, *Norman F. Dacey & Associates, Inc., Bridgeport, Conn.*

Reflections on "War and Peace" between the life insurance and mutual funds industries propose entry of mutual funds into the life insurance business by way of retaliation. Mr. Dacey admonishes the mutual fund industry to recognize it has come of age and to meet the new competition. A proposed Mutual Life Insurance Co. would provide insurance for voluntary and contractual investment plans and is said to constitute a "perfect 'variable annuity.'" Mr. Dacey comments on the unexpected effect term insurance has had on the insurance industry; avers life insurance provides no more of an investment than mutual funds provide protection; and proposes a new objective for mutual funds which would offer a growth investment for earlier years and become a balanced fund for later years.

Recent announcement of the offering of a $12 million stock issue by a company entering the variable annuity field points up the seriousness of those who have waged a determined fight for the right to sell this new investment/insurance hybrid and who now feel that despite the restrictions and inconveniences attendant upon registration and sale as a security under the critical eye of the Securities and Exchange Commission, they can successfully develop a popular demand for their product.

Norman F. Dacey

There are those who feel that at best the variable annuity is but a clumsy duplication of the job now being done so ably by the mutual funds. Certainly, it might be well for prospective purchasers to consider that it is essentially an investment and that an historical record of demonstrated investment skill is the one most important factor to look for when selecting investment management. Many feel that insurance companies, historically committed to investment in debt obligations, are not particularly well qualified to manage a portfolio of equities. The variable annuity will be in the experimental stage for a long time. It would seem prudent to defer entering into such a contract until those who offer it can point to concrete results instead of merely high hopes and good intentions.

It is principally from the life insurance industry or from individuals long associated with that industry that this new competition for the mutual funds originates. An allied development has been the entry of some life companies into the mutual fund field via the organization of their own new mutual funds or by purchase of control of older, dormant funds. These companies are training their sales organizations in the skillful merchandising of a term insurance mutual fund combination.

The Boomerang in Term Insurance

This development was probably inevitable. There is an old adage which says, "if you can't lick 'em, join 'em." For a long while now the life companies have watched with dismay as the mutual funds made deep inroads into their sale of investment-type insurance policies. The trend toward term insurance and away from the traditional high premium policies has had a far-reaching effect upon the insurance industry.

It was the high premium endowment and retirement income policies which built up the huge reserves which the companies have put to work so profitably for so many years. Such policies built cash values rapidly, thus reducing the insurance companies' risk—for the risk is only the difference between the policyholder's cash value and the face amount of the policy. Under the high premium policies, that risk was more rapidly transferred from the company to the policyholder. Term insurance has changed all that; it provides no cash values to lessen the companies' risk.

In the long run this development will surely make the life insurance industry rest upon a more solid foundation. In the depression days of the '30s when the industry had to appeal to the state commissioners for a moratorium on the payment of cash values, its plight stemmed from the fact that it had sold life insurance as a savings account. When the policyholders found themselves in financial straits and demanded their savings, the companies could not deliver. They were actuarially sound but they had just never counted upon such a demand for cash. If they had sold nothing but term insurance prior to that time, there would have been no demand upon them for the "savings" they were holding and they would not have had to apply for a moratorium.

While officially maintaining an attitude of dignified reserve toward the mutual funds, the life insurance industry has been engaging in a knock-down fight at the salesman level. Reputable men in the industry have not been above quietly distributing literature describing mutual fund shareholders as "lambs being led to the mutual fund slaughter." While the leaders of the two industries met periodically and passed pious resolutions agreeing not to be beastly to each other, the salesmanagers fought each other tooth and nail.

Life Insurance in Mutual Funds

Curiously, one segment of the life insurance industry has raised no objection to the growth of the mutual funds. These are the companies who have been supplying the funds with a life insurance feature guaranteeing the completion of periodic payment plans in the event of the planholder's death during the years he was accumulating his mutual fund nest egg. This arrangement has proven very popular and an astonishing volume of creditors reducing term group insurance is now in force. Many life underwriters have bitterly protested this plan which made insurance protection available at a premium far less than they could offer it under individual policies. A spokesman for the New York life underwriters association sourly observed that the life companies who were supplying the mutual funds with this low-cost coverage in competition with the life agents were "devouring their own young." But then, life underwriters in the field have deplored the growth of all low-cost group insurance, not just that coupled with mutual funds.

It must be said of the mutual funds that at least they obtained their insurance coverage from regular insurance companies. To this extent, they did not enter into competition with the life companies. Their action thus differs from that of the life companies who, through the variable annuity and through their own mutual fund affiliates, have now entered into outright competition with the funds. The mutual funds have not denied the importance of life insurance in the estate plans of their prospects. They have merely stated with increasing persistence that life insurance was not a good investment and that the investment part of estate planning might better be left to mutual funds. They have at the same time made a real effort to invite co-existence, even to the point of banning, through the instrumentality of the NASD, the use by mutual fund salesmen of sales literature suggesting in any way that existing life insurance should be surrendered and the proceeds invested in mutual funds. At the highest level, they have denied the cold and inescapable fact that life insurance and mutual funds are fiercely competitive, not because mutual funds provide protection (for they obviously don't) but because life insurance persists in calling itself a good investment (which it isn't).

Mutual Funds Awakening to Competition

Perhaps this present invasion of the mutual fund field by the insurance industry proponents of the variable annuity will provoke an "agonizing reappraisal" of the posture of restraint which has characterized the funds. Perhaps the cold fact that the insurance companies are moving into the mutual fund business with all their merchandising skills and almost unlimited promotional budgets may awaken mutual fundmen to the realization that life insurance is their greatest competitor and that they had better recognize that fact and plan their sales effort accordingly.

Of course, many funds are beholden to the insurance industry for the insurance coverage which they offer in connection with their contractual plans. There is no question but that the life insurance provision is an important additional feature of a contractual investment plan. Mutual funds and sponsors who offer such plans walk a tightrope, trying to merchandise their plans in competition with life insurance but without offending the companies who provide the coverage which makes their plan more desirable. To this extent, they are captives of the life companies.

The rate structure upon which these low-cost group policies are based is bewildering to any layman. Ostensibly, these investment programs are all sold to a similar cross-section of Americans. A mutual fund which I organized in 1938 has insurance coverage provided by the John Hancock Life Insurance Company at a flat rate of $3.60 per year per $1,000 at all ages up to 55. At least nine other life companies underwrite similar plans for other funds at a base rate of $6 per year per $1,000. Several mutual funds offer investment plans with life insurance at $7.20 per year per $1,000 and at least one has a fixed rate of $9 per year per $1,000. The groups being covered are all quite similar. If the Hancock can profitably provide the coverage for $3.60 per year, how does one justify the other premiums which are 100-200% higher? It is difficult to understand how such differing rates can be set by underwriters supposedly all using the same mortality table.

A Mutual Fund Life Insurance Co.

The solution may well lie in the organization of a Mutual Fund Life Insurance Company which will not deal directly with the public but whose only business will be supplying life insurance for voluntary and contractual investment plans offered by mutual funds. Because it will be non-profit, it can obviously undersell even the $3.60 per year per $1,000 rate for such coverage. It will eliminate the present curious inconsistency in rates for such plans—all mutual fund plans will offer coverage at the same rate. Because it will not be out selling its merchandise, it will not have the enormous promotional expense of life insurance. It will have no investment department expense—such services as are needed will be supplied by a revolving committee of investment experts from the participating mutual funds. The capital to get it under way can be provided by a bond issue sold to the participating funds.

The certificate which the Mutual Fund Life Insurance Company issues to each insured participant in the mutual fund accumulation plan can contain tables showing the amount of annuity which the company will provide at various retirement ages for each $1,000 which the investor has accumulated in mutual fund shares. He will not be "selling" his shares and buying an annuity but merely exercising an annuity option. Thus, he will not have realized a profit and will not be liable for a capital gains tax. Here is a perfect "variable annuity" but with investment management of the investor's own choosing whose performance record will be exposed daily to the searching eye of the public.

If the life insurance industry is going into the mutual fund business, perhaps the mutual funds should go into the life insurance business.

Proposes a New Mutual Fund Aim

Incidentally, there are many investors who would like to accumulate during their earning years in a common stock or growth fund but who recognize that a balanced fund may be more suitable at retirement. Unfortunately, they are locked into the more volatile fund by their capital gain tax liability. The solution may lay in the establishment of a "1970 Fund," a "1975 Fund," a "1980 Fund," etc. Each fund would be a growth fund until it reached its date after which it would automatically convert to a balanced fund, not by selling its common stocks but merely by putting incoming new money into bonds.

The mutual fund industry has come of age. It is time for it to stand erect. It has fought its way upward through the stigma of a second-class investment, accepting without real protest a Statement of Policy which brands its field organization as an army of financial cut-throats. Thousands of honest fundmen, emulating the industrious insurance man, have gone out and beaten the bushes for business only to have their industry and persistence damned as "high pressure."

The average mutual fundman doesn't understand the outcry. He has just gone right on working. The next generation of Americans will owe its financial security largely to him.

Harold Wit With Allen & Company

Allen & Company, 30 Broad St., New York City, has announced that Harold M. Wit is now associated with their firm. Mr. Wit was formerly Vice-President and Secretary of The One William Street Fund.

With Keenan & Clarey

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Eugene F. Smiley is now connected with Keenan & Clarey, Inc., First National Bank Building.

Boston Capital Stock Offered

An underwriting group headed by Shearson, Hammill & Co. offered on Sept. 14 1,500,000 shares of the $1 par common stock of Boston Capital Corp., a new small business investment company. Priced at $15 per share, the offering will realize gross proceeds of $22,-500,000.

Boston Capital Corp. is a closed-end, non-diversified management investment company registered under the Investment Company Act of 1940 and licensed under the Small Business Investment Act of 1958. The company's primary objective will be investment for capital appreciation.

Management of Boston Capital Corp. has experience in a wide range of executive, advisory, and financial activities. Board Chairman is John P. Chase, a principal executive officer of John P. Chase, Inc. since 1932, and a trustee of the Chase Fund of Boston and Shareholders' Trust of Boston. John W. Powell Jr. is President and a director of the new corporation and serves as chairman of the board of Allied Research and Service Corporation. He is also a director and former financial vice-president of Harris Intertype Corp. Other directors include Wendell B. Barnes, Administrator of the Small Business Administration from 1955 to 1959 and now a senior associate with Shearson, Hammill & Co.; and Carl R. Hauers, senior vice-president of John Hancock Mutual Life Insurance Company.

The corporation intends to invest primarily in equity securities or securities with equity features of selected small businesses believed to possess attractive growth possibilities. The company will also provide advisory and management counseling services for small business concerns.

The corporation has an advisory board which will assist in technical evaluation of industries and individual small businesses. It includes Dr. Charles S. Draper, Head of the Department of Aeronautics and Astronautics and director of the Instrumentation Laboratory at Massachusetts Institute of Technology; Dr. Merritt A. Williamson, Dean of the College of Engineering, Pennsylvania State University, and a former manager of the Burroughs Corp. Research division; and Rulon Nagely, vice-president-material, North American Aviation, Inc.

Boston Capital Corp. will retain Allied Research and Service Corp., 75 Federal Street, Boston, Mass., as its investment adviser and consultant.

Trapani Joins D. H. Blair & Co.

Ralph J. Trapani has joined the New York Stock Exchange member firm of D. H. Blair & Company, 42 Broadway, New York, as Manager of the firm's over-the-counter trading department. He was formerly with Goodbody & Co.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

HURRICANE DONNA DENTS RECENT MARKET STRENGTH

An abrupt setback in the strong market trend for fire-casualty stocks was the immediate result of this week's property damage lashing given by hurricane Donna as it stormed the Atlantic Seaboard. While considerable time will pass before the extent of damage by this catastrophe can be measured in claims upon individual company insurers, market psychology brought about a drop of 4 points in the stock prices of Home Insurance and Aetna Insurance; 3 point drops occurred in several issues, including Glens Falls Insurance, Great American Insurance, Travelers, and U. S. Fidelity.

Insurance coverage of catastrophes, the chief reason for the livelihood of the fire-casualty business, is one of the main essentials of modern living. Hurricane Donna provided a harsh but clear-cut experience to the public that insurance companies stand ready to fulfill their roles of insuring uncertain risks. While in this instance the overwhelming publicity carries adverse implications for insurance companies, the lasting effect may well be one of arousing the public to seek more adequate insurance coverage. Another effect may be the direction of investor attention to fire-casualty stocks as investment opportunities.

This group of securities often is ignored or forgotten due to stockholder difficulty in following performance of over-the-counter issues, the status of most insurance stocks. Once directed, such attention will reveal the positive market trend existing today for insurance stocks in contrast to the general securities market. On average, fire-casualty stocks, since the beginning of 1960, have registered a gain of approximately 5%, while the 500 stock Standard & Poor's Average, for example, has declined by some 5%. Several issues, of course, far outperform the averages. To date, market appreciation by Merchants Fire Assurance and U. S. Fidelity & Guaranty head the list of the representative stocks presented.

This sustained market action is supported by the trend of net premiums written (sales) which on average are running about 5% ahead of a year ago. By midyear impressive writing gains, in excess of 14%, were registered by Northern Insurance, Government Employees Insurance, Aetna Casualty & Surety and Ohio Casualty. The table presented includes, for comparative purposes, individual company gains in investment income. The investment earnings thus far are in line with the 10% rise estimated for 1960.

Leading Fire-Casualty Insurance Stocks

	Approx. Bid Price Range 1960-1959	Recent Mean Price	Indic. Divid.	Yield %	Gain Invest. Inc.† %	Underwtg. Profit Margin First Half 1960 %	Underwtg. Profit Margin First Half 1959 %
Aetna Casualty & Sur.	88 - 66	87	$1.20	1.4	16	4.1	1.5
Aetna (Fire) Ins. Co.	91 - 61	87	2.60	3.0	14	3.2	—5.4
Agricultural Ins. Co.	38 - 27	33	1.60	4.8	15	—2.0	—2.8
American Insurance	32 - 23	28	1.30	4.6	7	2.2	—1.6
Boston Insur. Co.	36 - 31	35	1.80	5.1	N.A.	—0.6	—7.2
Continental Casualty	77 - 55	74	1.20	1.6	20	2.2	2.8
Continental Insurance	60 - 45	51	2.00	3.9	9	—3.7	—5.7
Federal Insurance Co.	69 - 53	62	1.00	1.6	13	7.4	9.4
Fireman's Fund Ins.	56 - 42	52	1.80	3.5	13	0.1	—0.5
Glens Falls Insurance	40 - 28	36	1.00	2.8	17	—0.9	—4.6
Globe & Republic Ins.	23 - 15	22	1.00	4.5	3	—5.5	—6.7
Govt. Employees Ins.	88 - 68	78	1.00	1.3	28	17.8	20.4
Great American Ins.	48 - 35	43	1.60	3.5	5	3.0	—3.2
Hartford Fire Ins.	53 - 42	50	*1.10	2.2	8	2.6	0.0
Home Insurance Co.	62 - 46	59	2.20	3.7	8	0.3	—2.0
Ins. Co. of N. America	74 - 57	67	*1.80	2.7	8	4.3	—2.1
Maryland Cas'lty Co.	43 - 31	37	1.50	4.1	6	2.4	—1.7
Merchants Fire Assur.	42 - 29	38	*1.60	4.2	16	—1.5	—7.5
National Fire Ins.	149 -110	119	2.00	1.7	13	—0.2	2.6
New Hampshire Ins.	56 - 41	56	*2.20	3.9	29	2.9	1.1
Northern Insurance	52 - 40	43	1.50	3.5	21	—3.7	—1.5
Ohio Casualty Ins.	34 - 23	24	*0.72	3.0	16	6.0	8.4
Phoenix Insurance Co.	85 - 71	79	3.00	3.9	6	—0.8	—5.9
Prov.-Washington Ins.	25 - 18	22	0.80	3.6	11	1.0	—0.8
Reliance Insurance	58 - 41	57	2.20	3.9	7	2.5	—3.3
St. Paul F. & M. Ins.	61 - 52	57	*1.44	2.5	9	4.0	3.1
Springfield F. & M.	37 - 28	33	1.00	3.0	19	—1.7	—5.2
Standard Accident	64 - 45	50	2.00	4.0	13	—3.2	0.1
Travelers (Indemnity)	102 - 78	87	1.40	1.6	N.A.	—5.6	—0.5
U. S. Fidelity & Guar.	43 - 29	40	1.00	2.5	17	2.2	0.0
Western Casualty Ins.	47 - 35	46	1.40	3.0	17	4.4	2.6

*Increased cash dividend declarations during 1960.
†Improvement in first half of 1960 over first half of 1959.

As investment income improves, cash dividend increases can be expected, especially at this time since cash payouts remain under 50% of net investment income for fire-casualty companies as a group. Several cash dividend increases to stockholders already have been declared in 1960. Stock dividend declarations and payments this year have been made by Hartford Fire Insurance, Aetna Casualty & Surety, Government Employees Insurance, Insurance Company of North America, New Hampshire Insurance and Springfield Insurance. The most recent declaration is by Western Casualty, an 8⅓% stock dividend payable October 14 to holders of record October 3.

Thus far in 1960 acquisition activity includes American Surety Company by Transamerica Corp. and Freeport Insurance Co. by Springfield Fire & Marine Insurance. Two companies have publicly become merger candidates, Massachusetts Bonding and, more recently, New Amsterdam Casualty. Strengthening the trend toward life insurance with fire-casualty coverage are steps taken in 1960 by Great American Insurance, St. Paul Fire & Marine, and Glens Falls Insurance.

Overall underwriting experience, barring further catastrophes, should continue to trend upward due to higher premium rates in force, improved selection of risks and better expense control. Only seven of the issues presented are experiencing less profitable results. With investment income consistently improving, operating earnings for 1960 in excess of 25% over 1959 are expected to be the rule rather than the exception.

Nadler Sees Improved Economy in 1961

Leading economist does not expect a "boom," but a well-defined upswing in all business areas regardless of who occupies the office of President. Rules out major war.

The fourth quarter of this slightly "tarnished" golden year of 1960 will witness a slightly improved economy which should burgeon into an even better twelve months in 1961, according to Dr. Marcus Nadler.


Marcus Nadler

Dr. Nadler, economist and Professor of Finance at New York University, speaking extemporaneously, before a group of electric and gas utilities marketing executives in New York City on Sept. 12, stated that the American economy was "in the midst of a rolling readjustment" and that "barring unforeseen events" over-all business conditions will display greater improvement all along the line. The occasion was the opening session of the three-day 24th Annual Ebasco Services Client Companies' Marketing Conference.

"There will be no boom," he said. "Nonetheless, it will be a well-defined upswing in all business areas — regardless of what man succeeds to the Presidency."

Dr. Nadler said that while 1960 was not a recession year, it never did come up to the glowing expectations predicted by many economists.

"The forces of inflation continue to influence the price of commodities but these same forces are rapidly being brought under control," he added.

Dr. Nadler told the utility executives that there has been no evidence of major abuses in our economy which is basically sound.

Consumption and government expenditures — two of the three factors contributing to the Gross National Product—have been at their highest levels ever. People have been spending more than ever before in our history, and Federal, state and local governments have echoed this activity throughout 1960. Capital expenditures, the most volatile in the GNP picture, have been somewhat uneven, Dr. Nadler said.

"Home starts," he explained, "have been down in 1960 because of the short supply of mortgage money. This situation should improve and should contribute to a better business tone."

He said that while corporate profit margins are growing tighter, industry will continue to spend more money to compete in the highly competitive markets both here and abroad.

Dr. Nadler pointed out the sluggish state of inventories, but said that while hand to mouth buying will continue, exports will accelerate and investments will also be higher in the months ahead.

He did not see a "major war" between the United States and Russia. But despite this "hot and cold relationship between our country and one which seeks to destroy our system by every means at their disposal, and despite the uncertainty which this war of nerves imparts, American business will be good."

On the political scene, Dr. Nadler said that a major responsibility of the new President will be to protect the integrity of our dollar both here and abroad.

Harold H. Scaff, Vice-President of Ebasco and William Byrne, Ebasco Director of Utility Marketing, presided at the Sept. 12 marketing session.

Investment Opportunities in Farmers Home Securities

Individuals, institutions and banks are reminded of current investment opportunities in the insured loan program of the Farmers Home Administration. About 2,000 banks and other financial institutions have invested in these insured loans in the past. Recent changes in interest rates have, of course, brought renewed interest in the FHA agricultural program.

Agricultural credit is of interest to individual investors, institutions, and bankers. It has particular significance for banks directly serving farm communities.

Among the financial institutions assisting farmers with credit and credit counseling is the Farmers Home Administration, an agency of the United States Department of Agriculture. Of especial interest is the insured loan program of the agency. It offers an investment opportunity in one or more of three forms:

(1) Banks may purchase individual loan notes, fully insured by the full faith and credit of the United States Government. These notes average $15,000 in size and carry a 4% return to the investor, with a five-year optional redemption period with an attractive renewal feature. These loans may be located in the area served by the bank and participation in the program would enable the banker to be of service to agriculture in his community with no risk factors involved and with no servicing.

(2) For institutions wishing to make substantial commitments, loans bearing 4% interest and with a five-year redemption feature may be purchased in blocks up to $2,500,000. This offering is for the institution that wants the facility and ease of committing a sizable amount of money at one time.

(3) For short term needs a very substantial block of notes bearing 3% return to the investor is available and can be delivered in any amount up to $35,000,000. These notes may be redeemed at the end of 90 days or held for an additional 12-month period, during which time they are readily marketable. These notes today are competitive in the short term market and have the flexible renewal option, a particular advantage to most investors. The full Government guarantee applies to these notes, as well.

Any lending institutions or individuals interested in investing funds in these guaranteed loans should write to the Administrator, Farmers Home Administration, Washington 25, D. C.

Form Life Sec. Corp.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Life Security Corporation is conducting a securities business from offices at 7715 Sunset Boulevard. Officers are Martin R. Schwartz, President; Remi A. Saffran, Vice-President; and Devora Saffran, Treasurer.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Price irregularity continued to hobble the stock market this week and the combination of a lethargic market and a week starting off with a hurricane that kept many desks bare in Wall Street, added up to low volume and widespread disinterest.

The rebound in steel operations after the holiday-shortened week —from 49.2 to 52.7% of capacity — was hardly cheering since it indicated no great rush of fall orders. The rate was 52% in the pre-holiday week, but ran around 54% during the normally slow summer month of August.

Steel production has been a drag on the well-being of the general economy all year, in part because of too-high hopes for a sharp upward bounce once last year's long-strike ended. Tied in so closely with another giant segment of the economy, the auto makers, the steel rate indicated that both are doing a bit less than record business to make it a double-barreled bar to any excessive market enthusiasm.

New Lows to Come?

The averages, toying with their year's lows instead of with even the highs of the trading rallies, illustrated the caution starkly and, by hovering within easy reach of the areas where support developed earlier this year, kept the subject wide open of whether the 1960 lows have already been posted or whether new ones are due. Considering the sluggish action of many key issues, including the steel and auto shares as well as the oil and rail ones, the possibility of new lows was little threat since they have been so well deflated already.

While the debate over whether the "market" looked lower or higher raged on, a growing number of market spectators were willing to settle for a trading market, reasonably stable, until the fate of the general economy through the fall and winter was more clear. They took comfort from the fact that, while there were trouble spots, the general level of economic activity continued on a high plane that hardly called for a raging bear market.

Well Protected High Yield

Then, too, individual situations of merit abound, not the least being the 6½% yield from Great Northern Railway. Whatever the final results, there is general agreement that the rail will cover its $3 dividend by earnings running half again as much despite a decline in profit in the early portion of the year. The road is just entering the high-profit season and, in addition, comparisons with a year ago will be favorable because they will cover a strike-plagued period of 1959 just as the early-month reports covered a period when activities were stepped up abnormally as customers loaded up heavily preparatory to a strike.

Then there are quality issues that have been a bit roughly handled recently, such as International Paper which made the new lows list and in the process sold at its poorest price since 1958 although the paper industry as such seems to have made something of a turn. International is the world's largest producer, a competently run company with strong finances, a good record for sales growth and a dividend rate that was earned twice over last year and one which will probably make an even better profit-showing this year.

Copper Shares Restrained

Copper shares, after an initial reaction to the Congo unrest, have been back in a mundane pattern, particularly when it appeared that shipments of the red metal from the country were continuing at about a normal level despite the strife elsewhere. Also keeping the followers of the coppers restrained is the decline in the price of the metal in London, which raised doubts that American producers could maintain their price level more than three cents a pound above the London level. The prices of the copper stocks represent good value despite the uncertainties and yields run 6 to 6½% for Inspiration, Kennecott and Phelps Dodge.

The neglected item in the soft drink section is Canada Dry which has held in a range of less than four points all year despite record profit last year and a new peak anticipated for this year, plus an above-average yield of better than 4½%.

Canada Dry has been expanding rapidly abroad, now to the point where it services 53 foreign countries with 96 bottling plants scattered around. In addition to its well-known and diversified soft drink line, its wine and spirits division has been growing steadily, now accounting for some 30% of total sales. Its $1 payment is well covered—last year earnings came to $1.61 and seem headed toward the $1.80 level this year which leaves room for improvement in the dividend.

Low Price-Earnings Ratios

Some attention was being devoted to issues with a modest price-earnings ratio because some of the skyrockets of recent months have reached 50 or more times ratios that indicate at least caution. Lorillard, the spectacular item of a couple of years ago when it was hailing the successful merchandising of its Kent brand, has calmed down to where its price-earnings ratio is below 10-times and its yield a definitely above-average 5½%. On either basis it is not overvalued, nor is its P/E ratio high since others in the group command prices of 12 to 15-times their earnings.

Norfolk & Western, which already has acquired the Virginian Railway and has proposed merger with the New York, Chicago & St. Louis — the Nickel Plate—has yet to show the economies of the Virginian merger which was only accomplished in last year's final month. Yet it is holding at around 11-times estimated results of $8.75 expected for this year. On its regular rate of $1 quarterly it shows a comfortable 4% yield although a year-end extra of $1 is anticipated again this year to boost the return a bit more. Norfolk is billed as the nation's most efficient railroad, and its ability to show profits is demonstrated historically. It increased its dividend late last year to the present rate and when the economies of the Virginian merger are effected, earnings could run double the dividend commitment. And that makes it, in time, a candidate for an even better payout.

In the food field the merger that has yet to show the full benefits is that between Hunt Foods and Wesson Oil which was effected in midyear. Even before the merger, Hunt was building up a reputation for steadily increasing earnings. The merger improved its financial position immediately. Hunt had been expanding through retained earnings and funded debt which, among other things, kept its cash dividend nominal, hence its yield of around 1.6% is not one of the more liberal ones around. It has, however, larded the cash payment regularly with stock payments which were doubled last year from 5 to 10%.

High Yielding Convertibles

From a straight yield point of view, the oddities are the convertible bonds and preferreds that yield more than the common stocks into which they are convertible. The indicated return on Olin Mathieson's convertibles is 4.8%, for instance, against a return of 2½% on the common stock. Reynolds Metals, which has been suffering lately in tune with other aluminum producers, has a 2nd convertible preferred offering a 3.9% yield against the nominal 1.1% for the common. These are not the only such by any means.

[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.]

Businessman's BOOKSHELF

Company Giving—Leo J. Shapiro —Survey Press, 814 North Michigan Ave., Chicago 11, Ill.—(cloth) —$5.75.

Current Economic Comment — Containing articles on The Consumer and Madison Avenue; Soviet and Western Concepts of National Income; Financing State Buildings: The 1960 Bond Issues; Monetary Policies and Investment in Housing; Significance of New Reserve Regulations, etc. — College of Commerce and Business Administration, University of Illinois, Champaign, Ill. (paper) on request.

Capacity Utilization and Business Investment — Donald C. Streever —Bureau of Economic and Business Research, University of Illinois, Box 658, Station A, Champaign Ill., $1.50.

Disposal of Industrial Radioactive Waste — Machinery and Allied Products Institute, 1200 18th Street, N. W., Washington 6, D. C. (paper), 25c.

Housing Codes, New York State— Vol. 1: Background of Code Enforcement; Vol. 2: Model Housing Code Applicable to One- and Two-family dwellings, Multiple Dwellings, Mobile Homes, and Mobile Home Courts; Vol. 3: Administrative Guide — Division of Housing, 270 Broadway, New York 7, N. Y. (paper) on request.

Industrial Architecture: An Analysis of International Building Practice—James F. Munce—F. W. Dodge Corporation, 119 West 40th Street, New York 18, N. Y., $14.75.

Originators' Brands — Profitable But Precarious — Industry Relations, Retail Index Division, A. C. Nielsen Company, 2101 Howard Street, Chicago 45, Ill. (on request).

International Coal Trade—Bureau of Mines, Department of the Interior, Washington D. C. (paper).

It's Your Business—John Harriman—Houghton Mifflin Company, 2 Park Street, Boston, Mass. (cloth), $3.50.

National Central Credit Society and the Liquidity Problem of the Credit Union Movement—John T. Croteau — Credit Union National Association, Inc., 1617 Sherman Avenue, Madison 1, Wis. (paper).

Social Stratification and Right Wing Extremism — Seymour M. Lipset—Institute of Industrial Relations, University of California, 201 California Hall, Berkeley 4, Calif. (paper) — single copies on request; additional copies, 20c each.

Attractiveness of Ireland

By Roger W. Babson

The Steamship *Mauretania*, upon which Mrs. Babson and I were travelling, stopped at Cobh, Ireland to drop off a few passengers on its way to Liverpool. As neither of us had been to Ireland, we thought this was a good opportunity to spend a week there. Hence, we disembarked at Cobh.

The O'Dougherty Castle

The island which we normally think of as "Ireland" consists of two distinct divisions politically. The Republic of Ireland (Eire) comprises four-fifths of the area; its population is independent, and largely Catholic. Northern Ireland consisting of six counties is still a member of the British Commonwealth and is largely Protestant. It was settled chiefly by the Scotch.

The northwestern tip of this Protestant section is O'Dougherty country, which has the remnants of a Castle which Mrs. Babson's ancestors built 200 years ago. It was constantly in trouble. It was taken by the English some 40 years after it was built; then the O'Doughertys got it back for about 40 years, and thereafter the occupancy of it switched from one to the other. There is a lesson here which may apply to other countries where property has been seized by the Russians or other Communists. Although the O'Dougherty buildings were burned and the cattle and tools stolen, yet the title of the real estate finally returned to the original owners. This makes me feel that well-located real estate is one of the safest investments in this troubled world.

The People of Ireland

The people of Ireland are most courteous and warmhearted. They have laughter and humor as well as curious superstitions. They are known as chronic exaggerators, due to their kissing of the Blarney Stone! Both the men and women are healthy, athletic, and handsome. They are very trustworthy, God-fearing working people, charmingly graceful. In my travels over the world, I have never met more friendly or happier inhabitants.

We started at Cobh and went along the South Coast, passing wonderful old castles such as the Dronoland Castle, built in the 11th Century, the Ashford Castle, and the Ballynahince Castle. Hotels are reasonable, the food is good, but bathrooms are scarce and cold. The rooms are heated by open fireplaces, burning peat rather than coal. Little wood is left in Ireland, but the fields are verdant.

Value of Pasture Land

Although Ireland is smaller in area than Pennsylvania, yet it has marvelous ocean frontage exceeding that of Florida. Some of this is meadow farm land extending down to the water; in other places there are high cliffs. As I worked up the West Coast and noticed this beautiful, unoccupied ocean frontage, I systematically took samples of the soil. These I will bring home with me and have analyzed. This land sells at a low price per acre and is fairly rocky, suitable, from our standpoint, only for pasturage. It also is difficult to purchase large tracts of a thousand acres. However, I should think this land might be an excellent investment for those with patience who are willing to visit Ireland once every other year and talk with those to whom they rent.

I was much surprised at the temperature of Ireland. I saw palm trees growing in the southern portion, and I was told that, due to the Gulf Stream, even the northern portion is seldom freezing cold. The Killarney Lake section in Southwest Ireland is beautiful, and many other lakes abound throughout Ireland providing fishing, hunting, and other sports.

Transportation

Dublin has an excellent airport with planes going to all the leading English and Scotch cities, as well as to Paris, Rome, and elsewhere. Planes from the United States land at Shannon, a hundred sixty miles southwest of Dublin, near the famous Blarney Castle. The population of Northern Ireland is almost 1,500,000, while the rest of Ireland has about 3,000,000 people. Ireland has excellent banks, department stores, and hotels.

With Eastman Dillon

LOS ANGELES, Calif.—Robert T. Cosgrove has become affiliated with Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard. Mr. Cosgrove was formerly with First California Co.

NSTA NOTES

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Annual Meeting and Election of the Officers of the Investment Traders Association of Philadelphia will be held Wednesday, Sept. 28, at the Barclay Hotel.

Nominees for office for 1960-61 are:

President: Willard F. Rice, Eastman Dillon, Union Securities & Co.

First Vice-President: John E. Knob, Drexel & Co.

Second Vice-President: Jack Christian, Janney, Dulles & Battles Inc.

Treasurer: Herbert E. Beattie, H. A. Riecke & Co., Inc.

Secretary: William R. Radetzky, New York Hanseatic Corp.

SEATTLE SECURITY TRADERS ASSOCIATION

The Seattle Security Traders Association will entertain members of the National Security Traders Association who will be visiting Seattle after the Sun Valley Convention, at a dinner to be held Sept. 17 at the Olympic Bowl. John I. Rohde, John R. Lewis, Inc., is president of the Seattle Association. Other officers are Paul Johnson, Blyth & Co., Inc., vice-president; Larry Sisson, Pacific Northwest Company, secretary; and Robert Wight, Bank of California, N. A., treasurer.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Senator Kennedy may be well pleased over his Western trip as the reports in the newspapers say, but the fact is that the crowds were generally relatively small.

The crowds were big and enthusiastic in Idaho and Oregon, but were inexplicably small and silent in Washington. And in Detroit, it was far below estimates. The Senator, eloquent and forceful at one whistle stop on the West Coast, sounded flat and bored at the next.

There were also the inevitable goofs, like the embarrassment at Pocatello, Idaho, when the candidate confessed he knew nothing about the Burns Creek reclamation project—a major local issue—and then added blithely that he had voted for it twice and would continue to do so.

But the reports that reached him from local politicians were generally on the optimistic side. Alaska, where he began his campaign two weeks ago, is now counted in his column. Idaho is regarded as an uphill struggle, but in other states he stumped—Michigan, Oregon and California—he thinks he is a possible and even likely winner.

It is important to note, however, that this optimism does not indicate a conviction that he will win any or all of those states. The current polls show him running behind Nixon in California and Oregon. Rather, it reflects belief that the Senator and his backers may have the capacity to do what must be done—to present the issues—to turn out the vote and to cope with this year's special problem of religion.

So far Senator Kennedy has defined the choice before the people in the broadest possible terms. Dynamic action with the Democrats, versus stand-pat stagnation with the Republicans and Vice-President Nixon.

He is trying to make it a party battle instead of one between Kennedy and Nixon. It is not that he and Nixon are alone running, he contends, but a battle between the Democratic and Republican parties.

This is good strategy. In 1952 and 1956 the Republicans did not win. Eisenhower personally won. The party lost in both House and Senate.

Kennedy has dropped his chant that this is a second rate nation, having found that was not going over so well. His contention now is that, if we don't take advantage of his dynamic leadership into the world of new frontiers, we will be surpassed. He wants to deal with the problems of the unemployed, the aged, the poor and the Negroes.

The dynamism he preaches is what Senator Kennedy himself projects most easily to his audience. With his jaw set and face uplifted, his right fist clenched, his voice straining, and the words tumbling out, he is a compelling figure in the spotlight.

He has a voice doctor accompanying him, but the doctor says Kennedy will pay no attention to him. He speaks almost altogether with his throat instead of using his whole diaphragm. This gives a constant trouble with his throat. But the intensity with which he screeches is appealing to his audience, particularly teenagers and women.

Unlike Nixon, he has not mastered the art of organizing and presenting a speech without the aid of notes. But he doesn't read his speech or make any pretense of it. He throws it away at the outset. What he lacks in clarity, however, he makes up in intensity.

But some of the streak of inner reserve — maddening to some of his managers — confines his responses to a tentative half-wave, followed by a gesture with both hands in front of him, in which he seems to push the audience away.

In more ways than one, Kennedy gives the impression of a young undergraduate making his valedictory address, and wanting to get through with it as soon as possible.

In Oregon the Democrats have a lead in registrations of 60,000 this year and in California the Democratic registration is as much as 6- or 7-to-1 in some localities, yet in both states the polls show Nixon running ahead in the votes.

Nixon had, however, better watch out in his treatment of Secretary of Agriculture Benson. Mr. Benson is a Mormon apostle and in Southern California there are more Mormons than in any other state except Utah.

Courts Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ATHENS, Ga. — Albert M. Lord is now with Courts & Co., 298 East Washington Street.

Claggett Joins E. F. Hutton Co.

John W. Claggett, former President of the New York Mercantile Exchange, has joined the commodity staff of E. F. Hutton & Company, 61 Broadway, New York City, members of the New York Stock Exchange, it has been announced by Managing Partner Theodore Weicker, Jr.

Mr. Claggett will assist Hutton Partner J. Raymond Stuart in an expansion of the firm's commodity services and training program throughout its 38 offices.

Closely associated with commodities and commodity markets for many years, Mr. Claggett served for 23 years in U. S. Government executive posts with the Departments of Agriculture and Interior.

During World War II he was Agent in Charge and Chief Compliance Officer of the War Food Administration for 11 midwestern states. He later founded the Office of Investigations and Audits of the Chicago Board of Trade and was assistant to the President of the Board.

Now With F. L. Putnam

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Irving L. Hawkes is now associated with F. L. Putnam & Company, Inc., 77 Franklin Street, members of the Boston Stock Exchange. He was formerly for many years with Matthew Lahti & Co., Inc.

NEWS ABOUT BANKS AND BANKERS

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

George L. Farnsworth has been elected Executive Vice-President of **Chemical Bank New York Trust Company,** it was announced Sept. 12 by Chairman Harold H. Helm.

G. L. Farnsworth

Mr. Farnsworth joined Chemical New York on Oct. 29, 1934 where he became Assistant Secretary in 1943 and Assistant Vice-President in 1947.

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The Chase Manhattan Bank, New York, has promoted Edward W. Hummers and Thomas J. McGowan to Assistant Vice-Presidents in the metropolitan department, George Champion, President, has announced.

Mr. Hummers, who joined the Chase National Bank in 1921, is in charge of the Maiden Lane branch where he formerly was Assistant Treasurer and Manager. He was appointed to the official staff in 1946 as an Assistant Manager, a title which was changed to Assistant Treasurer at the time of the Chase National Bank, New York and Bank of Manhattan, New York, merger.

Mr. McGowan in 1922 joined the **National Park Bank, New York,** which merged with Chase National in 1929. He has been a member of the official staff since 1946 when he was appointed Assistant Manager at the Pennsylvania branch.

The appointment of five Assistant Treasurers also was announced. They are William H. Burgoon, brokers loan division; Charles J. Coronella, United States department; James J. Phelan, credit department; William T. Phillips, petroleum department; and Theodore A. Platz, Jr., aviation department.

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Thomas Rodd has been elected Senior Vice-President and Carter L. Burgess a Director of the **Morgan Guaranty Trust Company of New York, New York, N. Y.** Henry C. Alexander, Chairman, made the announcement.

Mr. Burgess, was a Director of **J. P. Morgan & Co., Inc.,** before its merger with the **Guaranty Trust Company of New York** in 1959. Subsequent to the merger, he became a member of the bank's Directors' Advisory Council.

Mr. Rodd became associated with J. P. Morgan & Co. in 1935. He advanced to Assistant Vice-President in 1947 and Vice-President in 1951. He was Treasurer of Morgan and Co. from 1949 until its merger with Guaranty Trust in 1959.

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Mr. George M. Bargalini, Vice-President of **Manufacturers Trust Company, New York, New York,** will succeed the late John O. Lewis in his appointment to Supervising Officer of the Bank's Branches in Queens.

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Irving Trust Company, New York, announces the promotion of Harold G. Brownson from Vice-President to Senior Vice-President.

Mr. Brownson, associated with Irving Trust Company since 1935, is in charge of the bank's Branch Office Division.

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The Directors of **Bankers Trust Co., New York,** and **County Trust Co., White Plains, N. Y.,** have revealed their intention to form a bank holding company. The plan, however, is subject to the approval of the New York State Banking Board, the Federal Reserve Board and the stockholders of both banks. As yet, no dates have been set for stockholders' meetings, nor has a name for the new holding company been announced.

According to the terms of the proposed institution, stockholders of Bankers Trust would receive stock of the holding company on a share-for-share basis. However, each share of County Trust Stock would receive 0.85 of a share of the holding company's stock. Also, under the terms of the agreement, County Trust may declare its usual 5% stock dividend prior to the exchange of stock. But, if the County Trust does not request this dividend, an adjustment would be made in the share exchange ratio.

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An application has been made by the **Toronto-Dominion Bank** to incorporate a trust company in New York with the title of the **Toronto-Dominion Trust Co.**

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Eugene K. Kinkead died Sept. 6 at the age of 84. He was Chairman of the Executive Committee of the **Colonial Trust Co., New York,** which he founded under the title of the **Hibernia Trust Co.** He also served as Chairman of the **South Orange Trust Co., South Orange, N. J.**

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The Chase Manhattan Bank, New York, announced Sept. 8 that it has received permission from West German banking authorities to conduct full-scale banking business, effective immediately, at its branch in Frankfurt/Main, Germany. Previously the branch has served West German banks and United States military personnel.

The branch, located at 11 Taunus-Anlage since its opening in 1947, through its close relationship with West German banks, will now also be able to fully serve U. S. business and their German subsidiaries as well as individuals and businesses of other nations.

Herman P. Volz, who has been with the bank since 1928, is the Vice-President who has been in charge of the Frankfurt branch since it was established.

The bank also offers military banking facilities at the U. S. Army Shopping Center at Czerny Ring, Heidelberg.

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Theodore A. Malmberg has been elected President of **The Dime Savings Bank, of Williamsburgh, N. Y.,** it was announced Sept. 12 by the Board of Trustees of that bank. Mr. Malmberg, formerly Vice-President, has been associated with the bank for 39 years and succeeds Henry W. Weber, now retired.

Mark Earl Jolls, formerly Treasurer, was elected Vice-President. Mr. Jolls has been on the bank's staff for 35 years.

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The Boards of Directors of **National Bank of Westchester, White Plains, N. Y.,** and the **Mount Kisco National Bank & Trust Co., Mount Kisco, N. Y.,** announced Sept. 9 in letters to their shareholders that they have tentatively approved an agreement to consolidate their two institutions.

If completed, the combined bank would be called **National Bank of Westchester, White Plains.** The proposal which is subject to the approval of the banks' shareholders as well as the Office of the Comptroller of the Currency, involves an exchange of one share of Mount Kisco National Bank & Trust Co. stock for 75 shares of National Bank of Westchester stock.

The combined bank would have resources in excess of $225,000,000.

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On July 12, 1960 the shareholders of the **Worcester County National Bank, Worcester, Mass.,** voted to issue 32,500 shares ($10 par value stock) by the issuance of rights to subscribe to additional shares at $35 per share in the ratio of one new share for each ten shares held by the shareholders. The rights to subscribe to these additional shares expired Aug. 31.

The shareholders subscribed to 32,389 shares, or 99%. Sealed bids were requested from the local brokers for the purchase of the unsubscribed shares in accordance with the previous action of the shareholders, and 111 shares were purchased by Hanrahan & Co., the highest bidder.

This action has increased the capital stock from $3,250,000 to $3,575,000. The surplus has increased from $6,750,000 to $7,562,500. The combined total of capital, surplus and undivided profits is $12,337,500.

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Official charter establishing the first new bank in Watertown, Mass. in nearly 100 years was presented to officers of **Coolidge Bank & Trust Co., Watertown, Mass.,** at the State House in Boston.

The bank will be located on Mt. Auburn St. in Coolidge Square in a new building so that the bank is scheduled to open in October.

Officers of the bank at the presentation of the charter in the State House included F. Marshall Bean, John J. Curran, Walter Everett, Roy Papalia, Vernon Stoneham, Secretary, and Peter Toomasian, Treasurer.

* * *

George Munsick, President of **Trust Company of Morris County, Morristown, N. J.,** announced the election of Donald E. Kyle as Vice-President and Trust Officer by the Board of Directors. He will assume charge of the Trust Department Nov. 1, succeeding William E. Abel who has submitted his resignation to accept a position with the **Southern Arizona and Trust Company in Tucson, Arizona.**

The Board also appointed Robert H. Barnum Assistant Trust Officer and Assistant Secretary.

Mr. Kyle joined the bank in 1927. He was appointed Assistant Trust Officer in 1935, Assistant Secretary in 1942, and was elected Assistant Vice-President in 1954. On Dec. 10, 1959 he was elected Vice-President.

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The Comptroller of the Currency has approved the application for consolidation of the **Citizens National Bank of Englewood, Englewood, N. J.,** and **The Bergenfield National Bank and Trust Co., Bergenfield, N. J.,** under the title of the **Citizens National Bank of Englewood.** No effective date has been determined.

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James M. Large, Chairman of the Board, William R. K. Mitchell, Vice-Chairman of the Board and Benjamin F. Sawin, President of the **Provident Tradesmens Bank and Trust Co., Philadelphia, Pa.,** announced that at the meeting of the Board of Directors held Sept. 8, William G. Foulke, Senior Vice-President, was elected as an additional Executive Vice-President to be effective immediately.

Effective immediately, Frank T. Howard, Vice-President, assumes Mr. Foulke's former responsibilities as Vice-President in charge of the Trust Division.

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The Bryn Mawr Trust Company, Bryn Mawr, Pa. is offering to its Capital Stockholders, Warrants for the right to subscribe to 7,360 shares, at $36.00 per share, in the ratio of one new share for each fifteen shares held of record on Aug. 30, at which time there were outstanding 110,400 shares. On Sept. 27 the Warrants will expire and thereafter will have no value.

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The Miners National Bank of Pottsville, Pottsville, Pa., and **The First National Bank of Tamaqua, Tamaqua, Pa.,** have received the approval of their application for consolidation, under the title of the **Miners National Bank of Pottsville.** The effective date is expected to be Sept. 30.

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Heyward T. Denyes, of Norfolk, has been advanced from regional Vice-President of **The Bank of Virginia, Richmond, Va.,** to Senior Vice-President, Herbert C. Moseley, bank President has announced.

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The First National Bank of Austin, Austin, Minn., has increased its common capital stock from $400,000 to $600,000, by a stock dividend, effective as of Aug. 29. (Number of shares outstanding—6,000 shares, par value $100.)

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The DeLay National Bank of Norfolk, Norfolk, Neb., has changed its title to **The DeLay First National Bank of Norfolk, Norfolk, Neb.** It was effective as of Sept. 1.

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The application of the **Newport National Bank, Newport, Ky.,** to purchase the assets and assume the liabilities of the **Highland Bank, Fort Thomas, Ky.,** has been approved by the Comptroller of the Currency. No date of effect has been determined for the takeover.

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By a stock dividend, **The First National Bank of Perryton, Perryton, Texas,** has increased its common capital stock from $200,000 to $400,000, effective Sept. 1. (Number of shares outstanding—4,000 shares, par value $100.)

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The First Security Bank, Glasgow, Montana, has converted into a national bank with the title of the **First Security Bank of Glasgow, National Association, Glasgow, Valley County, Montana.** It has a total of $572,094.90 in surplus and capital, and T. H. Markle is President, and Leroy J. Whittleas the Cashier. The effective date was Aug. 31.

* * *

Bank of America, San Francisco, Calif., has named its New York Representative, Vice-President Vernon C. Richards, to head the National Division at its head office in San Francisco, President S. Clark Beise announced Sept. 13.

At the same time, Mr. Beise announced that Mr. Richards' successor in New York is Ralph W. Fellman, Vice-President at the head office who has worked closely with clients in the New York area the past five years.

Mr. Richards, assigned to San Francisco offices most of his 37-year career with the bank, has held the New York position since 1955.

Mr. Richards served in various offices there until moving east in 1955. He was promoted to Branch Manager in 1933 and Assistant Vice-President in 1937, and in 1946 was appointed Director of staff training at the head office.

Mr. Fellman joined Bank of America in 1946, advancing to Assistant Vice-President in 1950 and Vice-President in 1955.

* * *

Oscar Arnold, 85, Chairman of the Board of the **First National Bank of Ontario, Ontario, Calif.,** died Sept. 1, 1960. Mr. Arnold had the distinction of being the oldest active banker in Southern California. Sixty years ago he began his banking career with the **Farmers and Merchants Bank in Bryant, South Dakota,** where he progressed from his starting position of bookkeeper and janitor to Cashier of that bank. A few years later, he accepted the position of Vice-President for the **First National Bank of Salem, South Dakota.**

In 1917, Mr. Arnold was named the Vice-President of the **First National Bank of Ontario.** He served as President from 1917 to 1951, when he was elected Chairman of the Board. Mr. Arnold remained active in this position until the time of his death.

New York State Thruway Bonds Being Marketed

A combination of three groups of underwriters headed by The Chase Manhattan Bank, The First National City Bank of New York and Lehman Brothers was awarded on Sept. 8 the $50,000,000 New York State Thruway Authority bonds maturing Jan. 1, 1985 to July 1, 1995. The group bid 100% for a combination of 3½s, 3.40s and 3.45s, a net interest cost of 3.4612411%. On reoffering the bonds are scaled from a yield of 3.20% to a dollar price of 100, according to maturity.

Included in the underwriting group are:

Bankers Trust Company; Morgan Guaranty Trust Company of New York; Chemical Bank New York Trust Company; Kuhn, Loeb & Co.; Harriman Ripley & Co. Incorporated; Smith, Barney & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co.; C. J. Devine & Co.

Phelps, Fenn & Co.; Manufacturers Trust Company; The Marine Trust Company of Western New York; First National Bank of Chicago; The Northern Trust Company; Goldman, Sachs & Co.; Continental Illinois National Bank & Trust Co.; Bank of America N.T. & S.A.; Hallgarten & Co.; Kidder, Peabody & Co.

Ladenburg, Thalmann & Co.; Glore, Forgan & Co.; Eastman Dillon, Union Securities & Co.; R. W. Pressprich & Co.; Salomon Bros. & Hutzler; Barr Brothers & Co.; Blair & Co. Incorporated; The First National Bank of Oregon, Portland; White, Weld & Co.; The Philadelphia National Bank.

Merrill Lynch, Pierce, Fenner & Smith Incorporated; Carl M. Loeb, Rhoades & Co.; Bear, Stearns & Co.; Drexel & Co.; Equitable Securities Corporation; Hornblower & Weeks; Mercantile Trust Company; Paine, Webber, Jackson & Curtis; W. H. Morton & Co. Incorporated; F. S. Moseley & Co.; Shields & Co.; Stone & Webster Securities Corporation; B. J. Van Ingen & Co. Inc.; Wertheim & Co.; John Nuveen & Co.

Distributors Group Names

DALLAS, Texas—Robert M. Gibson of Dallas, has been named Southwestern Regional Manager for Distributors Group, Inc., sponsor and investment advisor of Group Securities, Inc. His territory will include Kansas, New Mexico, Oklahoma, Texas and Western Missouri. He recently was Southwest Sales Representative for Fitch Investors Co.

E. N. Siegler Branch

AKRON, Ohio—Edward N. Siegler & Co., members of the Midwest Stock Exchange, have opened a new branch office in the Second National Building under the management of Harvey Leff.

Blunt, Ellis Branch

SKOKIE, Ill.—Blunt, Ellis & Simmons has opened a branch office at 57 Old Orchard, under the management of Robert L. Du Gene, partner in the firm.

Fuels Policy Proposal Analyzed

Rumblings of action to start a new National Fuels Policy with end-use controls prompts Empire Trust Co. of N. Y., in its recent "Letter," to plead for competition and not for controls. The way to obtain plentiful oil and gas, it warns, is not by creating monopoly markets.

Competition, not control, is the means by which U. S. energy needs can be met best at lowest cost and with abundance for the future.

This belief is expressed in a newsletter recently published by Empire Trust Co. of New York which discusses in detail the situation created for the energy fuels industries by efforts to inaugurate another congressional investigation of national fuels resources.

Proponents have urged such an investigation for the formulation of a new National Fuels Policy and originally asked for consideration of "optimal allocation of the various fuel and energy resources to their most productive economic uses"—in other words, end-use controls on consumers.

Henry C. Brunie, President of Empire Trust, in an introductory paragraph to the *Letter*, says that "behind these attempts are serious implications to interfuel competition and to freedom of consumer choice. . . . An informed public will support competition, not restraint, as the key to this nation's continued prosperity."

The *Letter* points out that "today low-cost energy largely means petroleum. Petroleum means oil and natural gas. We get almost three-quarters of our energy from petroleum, most of the rest from coal."

Says Controls Would Mean Monopoly

A policy of end-use controls on energy fuels "could deny all consumers — industrial, utility and residential—their right to burn oil or gas for any purpose for which coal could be substituted," the newsletter declares. "End-use controls thus establish monopoly markets, restrain competition and tend to eliminate competitive pricing when they eliminate the freedom to sell and the freedom to buy."

Continuing, the *Letter* points out that the "nub of the agitation for a new National Fuels Policy is the old prediction that our petroleum is running out faster than our coal. It was said that we'd run out of oil and gas, first in 1925, then by 1941, more recently by 1960. . . . Fortunately, no genuine oil scarcity ever has occurred. Right now our proved oil and gas reserves are at an all-time high."

The *Letter* calls attention to the fact that just recently the ultimate oil resources in continental United States recoverable by current methods were estimated by the U. S. Geological Survey at 235 billion barrels. "This represents nearly four times the total oil production since the start of the American petroleum industry" 100 years ago, the newsletter adds.

Coal resources, on the other hand, amounted to 3.5 trillion tons in 1918; by 1958 economically recoverable coal had shrunk nearly 50% to 906 billion tons, according to the Empire Trust *Letter*.

"When weighed in terms of price competition from competing fuels, other estimates have scaled down even this figure to as little as 30 billion tons," the *Letter* says. "Present coal production is at the rate of about 425 million tons per year.

"There hasn't been a 10-year period in which we have not produced petroleum approaching all of the proved reserves at the beginning of that 10-year period and at the same time ended the 10 years with still greater reserves," the newsletter adds.

"Thus it is difficult to see how this nation is in danger of running out of oil and gas," the newsletter continues. "The problem is to locate what we know is there.

"So long as the nation avoids tax policies and restrictive controls that could create artificial obstacles to the hunt for oil, petroleum will continue to be abundant and low in cost," the *Letter* adds.

In stressing that the coal industry itself is still strong, the Empire Trust *Letter* quotes the Ford Foundation-financed Resources for the Future, Inc. which predicts that in the next 20 years the demand for coal will increase 75%, while the demand for petroleum will double.

"America must guard against efforts to sacrifice the public interest for the sake of creating monopoly markets," the newsletter warns. "The truly positive approach is through the traditional policy of creative competition upon which this nation has thrived."

Joins McDonnell Staff

(Special to The Financial Chronicle)

DENVER, Colo. — Howard E. Parks, Jr. has joined the staff of McDonnell & Co., Incorporated, Tower Building.

Banks for Coops. Offer Debens.

The Banks for Cooperatives offered on Sept. 13, a new issue of $134 million 3¼% six-month debentures, dated Oct. 1, 1960, and maturing April 3, 1961. The debentures are priced at par.

It was also announced that $5 million of the Dec. 1, 1960 debentures already outstanding were reopened and sold at the market for delivery Oct. 3.

Proceeds will be used to refund $95,500,000 debentures maturing Oct. 3, 1960, and for lending operations.

The offering will be made through John T. Knox, Fiscal Agent, and a nationwide selling group of recognized dealers in securities.

With Pasadena Corp.

(Special to The Financial Chronicle)

PASADENA, Calif. — Robert L. Henderson has become associated with Pasadena Corporation, 618 East Colorado Blvd., members of the Pacific Coast Stock Exchange. He was formerly with the First California Company and Harbison & Henderson.

MUTUAL FUNDS

BY ROBERT E. RICH

The Favorites

It is scarcely a secret that oil stocks have had few friends during the last four years despite scattered recommendations by financial district counselors to "Gas up!" Joining this fraternity of the friendless in 1960 were the steels. Yet a spot check of the 50 most favored stocks of financial institutions discloses that companies in these bread-and-butter industries remain high on the roster by comparison with a year ago or even two years ago.

Thus, going back to 1958, it will be found that of the 15 top favorites of investment companies, common trust funds and insurance companies, no less than seven were oils. A year ago (Standard of Indiana) had fallen out, which left a highly respectable six among the first 15. Now Stanolind is back in the 15th spot to restore the total to seven. The other six are Standard of Jersey, far and away the No. 1 favorite among stocks of all kinds; Texaco, which is sixth in the over-all compilation, and Socony Mobil, Phillips Petroleum, Standard of California and Gulf Oil.

Returning to 1958, we find that there were only two steels among the top 50, U. S. Steel, which has been acquiring investment status the past few years, and Bethlehem. Big Steel moved from No. 16 in 1958 to the 10th spot last year and now is tied with Socony for eighth. Bessie has gone over the same span from No. 37 to No. 34 and now to 28th.

Indeed, it would appear that there has been no urgency to unlock strong boxes these past couple of years as the first five among institutional favorites show no change in ranking. Behind Standard of Jersey are General Motors, General Electric, American Telephone & Telegraph, with E. I. duPont de Nemours & Co. still in the fifth slot.

Interestingly, America's premier growth stock, International Business Machines, continues to move up in this select group. Carrying, by far, the highest price tag of the favorite 50, I. B. M. has come from No. 17 in 1958 to occupy the 12th position. It could work its way into the top 10 in no great time.

Probably the most impressive performance of all, however, has been turned in by Westinghouse Electric. After all, I. B. M. never did lose its halo. But a few years ago Westinghouse was dubbed the "Ailing Giant." But plainly Wall Streeters regard the company as completely recovered these days. From No. 27 in 1958, Westinghouse rose to 19th last year. At latest report it was 16th.

For Motor Co. vies with Westinghouse for excellence of performance. When the stock was brought out a few years ago it took a severe shellacking and left a train of unhappy stockholders. Indeed, the number of shareholders shrank steadily. But now seasoned Ford has attained investment status. From 44th two years ago, it fell to 47th last year. During the last year, however, it has begun a steep climb, reaching the 27th slot.

Utilities have woven a crazy quilt, with hard-headed investors showing considerable selectivity. Thus, American Electric Power, the most favored in this group, which was No. 19 two years ago and No. 18 in 1959, now is 20th. On the other hand, Commonwealth Edison has fallen from 15th in 1958 to 20th in 1959 and now is 24th. Texas Utilities has gone over the same span from 28th to No. 33. Southern Company makes the best showing in this division. It wasn't even among the top 50 until this summer. At latest report it was 49th. United Gas Corp., on the contrary, has slipped from 35th two years ago to 47th.

Outside the utility division, other disappointments have been Aluminum Co. of America, which has been falling steadily and now is 44th, and Monsanto, 30th two years ago and now 37th.

Viewed in the round, the picture is not greatly altered. Two years ago—as now—there wasn't a single railroad among the favored 50. Last year, however, Union Pacific just did manage to make the grade by coming in 50th. It's out again, ranking 53rd.

Swiftly working its way into the charmed circle is Merck & Co. That top-flight drug was 85th two years ago. Last year it was No. 66. Now it has only two rungs to climb to become one of the top 50.

Incidentally, if we rank the favorites on the basis of investment-company holdings alone, some striking differences do emerge. Thus, while Standard of Jersey and G. M. cling to the first and second spots even on that basis, the third-ranking issue is mighty I. B. M. Texaco is next and G. E. rounds out the Big Five.

As for U. S. Steel, which finishes eighth on an over-all basis, it comes in seventh on the basis of reporting investment companies exclusively.

All in all, it would appear that, even though many of the bread-and-butter equities have been sold on balance, there has been little tendency to engage in wholsale liquidation.

To Be General Partner

Philip A. Batchker on Sept. 15 will become a general partner in Batchker, Eaton & Co., 120 Broadway, New York City, members of the New York Stock Exchange. As of the same date he will cease to be a limited partner.

Funds Report

B. C. Morton Organization has become underwriter of Peoples Securities Corp., and a stockholder in A. S. Karasick & Co., Inc., investment manager of the growth stock mutual fund.

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Irving Trust Co. has been appointed registrar of the common stock of Guardian Mutual Fund, Inc.

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Fidelity Fund, Inc. declared a quarterly dividend of 11 cents, payable Sept. 24 to stockholders of record Sept. 7.

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Keystone Discount Bond Fund, Series B-4, and Keystone High-Grade Common Stock Fund, Series S-1, declared regular distributions from net investment income of 29 cents and 21 cents, respectively, both payable on Sept. 15.

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"While the economy is not booming and standard economic indicators are conflicting, the stock market's own internal action is developing strong indications that it is preparing for a significant advance in anticipation of improving business conditions," Harold X. Schreder, executive vice-president and economist of **Group Securities, Inc.,** said at a meeting of investment representatives at the 12th annual Mutual Fund Dealer's Conference.

"The 1960 record high plateau-level of overall business and the stock market has masked a tremendous amount of divergent and corrective activity in the nation's various industries and individual stocks," said Mr. Schreder. "In fact," he added, "this prolonged divergence in business activity and the stock market has been going on since 1955. For example, 1960's two major 'soft' industries —steel and automobile—have not been able since 1955 to exceed their record production levels of that year."

* * *

"Desire for income is the most fundamental of all investment motives," according to Fred E. Brown, President of the **Broad Street Group of Mutual Funds.** "Investment fads sweep the scene," he said, "but, if experience is any guide, we know that investor interest in such fads eventually is carried to excess only to ebb away. Interest in income, on the other hand, carries on steady and undiminished. Characteristically, the income motive is the most constant under all kinds of conditions; it is the most appealing to the ladies, who increasingly control our nation's wealth; the greatest need of younger people, the prime objective of future planners. Moreover, income is equally important to the potential as to the present investor."

Mr. Brown made his comments in a talk on Investing for Income —Policies, Problems and Pitfalls at a seminar arranged by the Broad Street Sales Corporation for a gathering of mutual fund dealers and their representatives. Broad Street Sales is general distributor of the Broad Street Group —Broad Street Investing Corporation, National Investors Corporation and Whitehall Fund, Inc.

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"All we know for sure about the economy in mid-September is that there will be a long period of growth for the United States in the years that lie ahead," according to Dr. John W. Harriman, economist for the **Broad Street Group of Mutual Funds.**

"We will know more about monetary aspects when the election is over. We will know more about the character and timing of the next cyclical upturn as the year 1961 unfolds. But regardless of whether there is a continuation of the uneasy and uneven plateau we have been experiencing or a moderate recession in the short-term future, the outlook for the longer term is favorable."

The economist made his comments to a gathering of mutual fund dealers and representatives at a seminar in Washington, arranged by Broad Street Sales Corporation.

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Investments in electronics companies are expected to absorb a sizable proportion of the assets of **Techno Fund,** a small business investment company that "went public" recently, according to Dr. Clyde Williams, Chairman of the Techno Fund board.

The fund already has investment interest in the National Resistance Corp., and is expected to make equity loans to several other small electronics firms in the near future.

Techno Fund is being managed by the Clyde Williams Investment Management Co., of which Dr. Williams is President.

* * *

Total sales of shares of **George Putnam Fund** and **Putnam Growth Fund** during August, amounted to \$4,013,000, an increase of 89% from August a year ago. For the first eight months of 1960 combined sales of the two funds totaled \$33,526,000, an increase of 96% from 1959. Redemptions increased less than 12% for the same period.

Combined total net assets of both funds reached an all-time high of \$260,785,000 on Aug. 31.

Phila. Inv. Women Announce Officers

PHILADELPHIA, Pa.—The Investment Women's Club of Philadelphia which played an important role in establishing the "Invest in America Week" program, has announced its officers for the 1960-61 season.

Miss Dolores Dougherty (Bishop and Hedberg, Inc.) has been elected President of the group. Vice-President is Miss Elizabeth A. Booth (A. Webster Dougherty & Co.). Named Secretary is Miss Katherine Merscher (The Philadelphia National Bank). Serving as Treasurer for the coming season is Miss Joan M. Brown.

(Merrill Lynch, Pierce, Fenner & Smith, Inc.).

The following members have been elected to the Executive Board, each responsible for a specific phase of the club's activities: Mrs. Margaret Lawrence (Yarnall, Biddle & Co.)—Education; Miss Virginia Lee (Stroud & Co., Inc.) — Entertainment; Miss Anna L. Cotellesse (Beneficial Mutual Savings Bank)—Membership and Miss Isabel R. Blaess (Pennsylvania Funds Corp.)—Publicity.

It has also been announced that the organization will hold its first dinner meeting of the new season at the Barclay Hotel on Monday. Sept. 19.

Harvest Brand Common Offered

S. D. Fuller & Co. and associates offered on Sept. 14, 191,667 shares of the common stock of Harvest Brand, Inc. at a price of $6 per share. Of the total number of shares offered, 150,000 shares are being sold by the company and 41,667 shares by certain selling stockholders. The sale marks the first public offering of the company's stock.

Proceeds from the issue will be used by the company to retire notes payable and other indebtedness; to establish a new automated plant and geographically diversified branch plants and distribution centers; and for additional working capital.

Harvest Brand, Inc. is engaged in the business of formulating, manufacturing, distributing and selling feed supplements, minerals and pre-mixes for the livestock industry. The Pittsburg, Kansas-based company operates principally in the Midwest. The company's products are marketed under the trade name of "Stockade," which is widely known among livestock feeders in the Midwest. Used in simple or complex type mixes to supply minerals, proteins, vitamins and drugs, Harvest Brand products are manufactured in loose or block forms.

Upon completion of the financing, outstanding capitalization will consist solely of 375,000 shares of common stock.

For the five months ended May 31, 1960, the company had net sales of $793,302 and net earnings of $47,683, equal to 21 cents per common share on the 225,000 shares then outstanding.

John Kemper Branch

MUNCIE, Ind.—John A. Kemper & Company has opened a branch office at 120 East Washington St., under the management of William K. Hughes.

With Wm. R. Staats

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif. — William H. Luyties, Jr. is now with William R. Staats & Co, 9742 Wilshire Blvd. He was formerly with Stone & Youngberg.

Joins Bache Staff

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Irving Privman has joined the staff of Bache & Co., 445 North Roxbury Drive. He was formerly with Arthur B. Hogan, Inc.

Now With Harris, Upham

(Special to The Financial Chronicle)

OAKLAND, Calif. — Maurice Wong has become connected with Harris, Upham & Co., 1400 Franklin Street. He was previously with Henry F. Swift & Co.

Joins Walston Co.

(Special to The Financial Chronicle)

PASADENA, Calif. — Marcus B. Eilers has become affiliated with Walston & Co., Inc., 645 East Colorado Street. He was formerly with First California Company.

San Francisco Bonds Offered To Investors

A Bank of America N.T. & S.A. underwriting syndicate on Sept. 12 merged with a Harris Trust and Savings Bank syndicate and a group headed by Blyth & Co. Inc. to submit the best bid for $21,455,000 City and County of San Francisco bonds.

The syndicate bought $15,000,000 Hetch Hetchy Power bonds, paying a premium of $10,099 for a combination of 6s, 2¾s, 3s, 3¼s and 1s. The dollar price was 100.067 and net interest cost to the borrower was 3.05%. The bonds mature from Oct. 1, 1961 to 1980, inclusive, and subject to award are priced to yield from 1.60% in 1961 out to a dollar price of par in 1979. The 1980 maturities are not being reoffered.

The syndicate also purchased $6,455,000 Various Purpose Bonds, due Oct. 1, 1961 to 1975, inclusive. They carry coupons of 6%, 2¼%, 2½%, 2¾%, and 3%.

For $5,000,000 School Bonds, the group paid a premium of $279. Bid was 100.016 and net interest cost was 2.86%.

The group also paid a premium of $569 for an issue of $1,000,000 Playgrounds and Recreation Centers Bonds. Bid was 100.057 and net interest cost came to 2.86%.

For the $455,000 Hospital Obligations, the syndicate paid a premium of $229. Bid was 100.049 and net interest cost was 2.87%.

Subject to award, the various purpose bonds are priced to yield from 1.60% to 3.10%, according to maturity.

Associates include:

The First National City Bank of New York; The Chase Manhattan Bank; Bankers Trust Company; The First Boston Corporation; Lehman Brothers; Harriman Ripley & Co. Incorporated; Smith, Barney & Co; The Northern Trust Company; Wells Fargo Bank American Trust Company; Security First National Bank;

Crocker-Anglo National Bank; C. J. Devine & Co.; Phelps, Fenn & Co.; R. H. Moulton & Company; White, Weld & Co.; Weeden & Co. Incorporated; The First National Bank of Oregon; Seattle-First National Bank; Lazard Freres & Co.; R. W. Pressprich & Co.;

Ladenburg, Thalmann & Co.; William R. Staats & Co.; Bacon, Whipple & Co.; J. Barth & Co.; The Boatmen's National Bank of St. Louis; Clark, Dodge & Co. Incorporated; F. S. Moseley & Co.; New York Hanseatic Corporation; Paine, Webber, Jackson & Curtis; Reynolds & Co.; Schwabacher & Co.; Shearson, Hammill & Co.; Shields & Company.

Joins Hemphill, Noyes

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Harry E. Lewis has joined the staff of Hemphill, Noyes & Co., 9478 Santa Monica Boulevard. He was formerly with Shearson, Hammill & Co.

Puerto Rico's Tax Exemption Program and U. S. Investor

Continued from page 9

tory requirements. The section provides that a domestic corporation shall be subject to United States tax only on that, part of its income which is derived from sources within the United States of at least 80% of its gross income is from sources within a possession of the United States and 50% or more of its gross income is from the active conduct of a trade or business. Puerto Rico is treated as a "possession" for this purpose.

The statutory requirement that 80% of the gross income of the corporation be derived in effect from Puerto Rico creates two difficulties: In the first place, section 931 provides that payments actually received in the United States are to be included in the taxable gross income regardless of the source from which derived. Thus arrangements have to be made for the actual receipt of income in Puerto Rico, although once received these monies may be transferred immediately to a mainland depositary.

Apportioning Formula

The real difficulty arises under section 931 in the case of a corporation which plans to manufacture in Puerto Rico but sell a substantial part of its output on the mainland. For purposes of determining its geographical source, the resulting income is apportioned under a complex formula partly to the manufacturing, which clearly has a Puerto Rican source, and partly to the sales activity, which may well have a source within the United States. The source of the selling element is the country in which the goods are sold. As stated in the Regulations, the sale takes place at the time when and the place where the rights, title and interest of the seller in the goods are transferred to the buyer. This is the so-called title passage rule, under which point of passage, where the risk of loss of the goods shifts from the seller to the buyer, is a matter of the intention of the parties. This intention is normally expressed in the contract of sale. Thus a contract f. o. b. San Juan calls for delivery to the buyer at that point; title to the goods passes at that point; and under the title passage rule Puerto Rico is the source of the income from the sale. Conversely, delivery is made in the United States if the contract is f. o. b. New York.

The title passage rule is qualified in the Regulations by the statement that it will not be followed where the sales transactions has been arranged in a particular manner for the primary purpose of tax avoidance. This long standing qualification really expresses the dissatisfaction of the Treasury with the rule. This dissatisfaction is due in part to the fact that the broad coverage offered by insurance companies today has greatly minimized the business importance of the point at which title passes. There are several cases pending in which the Treasury is again urging, despite its lack of success in the past, that the source of income on a sales transaction should not necessarily turn on the place where title passed. Instead, the Treasury is urging that the place where the sale was negotiated is the place where the substance of the transaction took place, and hence the source of the income.

The risk of this uncertain state of the law to a domestic corporation under section 931 is that part of the income attributable to the selling side of the business may be assigned to United States sources in an amount sufficient to disqualify all of the income of the corporation from the benefits of section 931. In this regard, it will be recalled that these benefits apply only if at least 80% of the gross income of a corporation is derived from Puerto Rico.

In the case of a Puerto Rican corporation, the question of where title passes and the status of the title passage rule for determining the source of income are very much less important. If the corporation is not engaged in trade or business in the United States, then, as in the case of other foreign corporations, no part of its gross income from manufacture and sale will be subject to United States tax, even though part of that income may have a United States source. The reason for this result is that non-resident foreign corporations are taxed only on what the statute refers to as fixed or determinable annual or periodical income from United States sources, and gains on the sale of personal property are not regarded as having these characteristics. Moreover, even if the Puerto Rican corporation is considered to be engaged in trade or business and thus resident within the United States, the tax applies only to that portion of the gross income of the corporation having a source within this country. Thus a domestic corporation, although offering the ultimate advantage of a tax-free liquidation, and thus freedom from United States capital gains tax as well as Puerto Rican tax during the exemption period, does not have the operating safety and certainty which can be obtained by incorporating the business in Puerto Rico.

Problem of Pricing

With final reference to the choice between a Puerto Rican corporation and a corporation which qualifies under section 931, I should refer to the problem of pricing, which is raised where the subsidiary in Puerto Rico sells its product to its parent or an affiliated corporation on the mainland. To use Harry Rudick's words, if the Internal Revenue Service sees that "the lion's, not to say the hog's" share of the overall profit is attributed to the exempt subsidiary and only a small share to the taxable parent, it may conclude that the subsidiary has charged the parent more than a fair price. In that case the Service may, under section 482 of the Code, apportion part of the subsidiary's income to the parent.

At first blush, it would appear that the consequences of this treatment would not be affected by whether the manufacturing subsidiary is a Puerto Rican corporation or a domestic corporation qualifying under section 931. In the latter case, however, where the manufacturer carries on some mainland activity, the Service might take the position that the excessive price charged to the United States parent represented in part the price paid for goods and in part the manufacturing company's share of the profits from distribution of the goods in the United States. It is hard to assess the reality of this risk without reference to the particular state of facts. However, the Internal Revenue Service does have this additional weapon to support an assertion that the corporation has derived more than 20% of its gross income from United States sources, so that it no longer qualifies for the benefits of section 931 on any of its income. This risk does not extend to a Puerto Rican corporation.

Continuing After the Exemption Period

In discussing the benefits of the Puerto Rican tax exemption program, it may be that we overemphasize the attraction of a tax-free liquidation before the end of the exemption period. The success of the business enterprises already established in Puerto Rico by mainland investors suggests that in most cases the investor will prefer to continue the business beyond the exemption period. In these cases the great advantage of the program is that it provides capital for the development and expansion of the business out of the tax-free earnings during the exemption period. Thereafter the business may be continued under the usual rules of the Puerto Rican tax system. As I have said, these generally follow the rules of the 1939 Internal Revenue Code, with the important principal difference that Puerto Rico has a flexible depreciation policy which permits the taxpayer at its option to write off all or any part of its investment in any real or personal property in Puerto Rico acquired after Dec. 31, 1954, for use in agriculture, construction or manufacturing. This can be a real inducement to expansion of the business at the end of the exemption period.

The corporate tax rates in Puerto Rico range from 21% on the first $25,000 of taxable income to a maximum of 36.75% on profits in excess of $130,000. On distributed earnings, this tax combines with the withholding tax of approximately 30%[1] to produce a maximum Puerto Rican tax burden which is slightly in excess of the United States tax which is imposed on dividend distribution. However, the parent corporation receives a foreign tax credit for the allocable portion of the Puerto Rican corporate tax as well as the withholding tax, so that the net result is not unfavorable.

An individual citizen residing on the mainland who wishes to invest in an exempt Puerto Rican business, and who also wishes to continue his residence on the mainland, will normally choose the Puerto Rican corporate form for the investment that the corporate investor will choose. Although the Puerto Rican tax exemption is available to sole proprietorships and partnerships, as well as corporations, operation of the business in noncorporate form does not exempt the United States investor from the ordinary rates of United States tax. This insulation can be obtained through use of the corporate entity but, of course, the United States resident is fully taxable on the dividend distributions, as to which he may take credit for the Puerto Rican tax withheld (and as to which the Puerto Rican withholding tax rate is reduced to 20% if he is also a citizen of the United States).

Bona Fide Residence

If the individual investor is a United States citizen he can substantially change his tax position by establishing a bona fide Puerto Rican residence. Under section 933 of the 1954 Code, he thereupon becomes exempt from United States tax on all income which he receives from Puerto Rican sources, although he continues to be taxable in the United States on income received from other foreign sources or from the United States itself. Thus if Puerto Rican residence is established by the individual, he may draw down the earnings of an exempt business without liability for income tax in either jurisdiction. This will be true whether the investment is in sole properietorship form, the form of a Puerto Rican corporation, or in partnership form. (Incidentally, one of the few unusual features of the Puerto Rican income tax structure is that partnerships are taxed as corporations.) The dividends paid by the corporation have a Puerto Rican source, and hence are not subject to United States tax in this instance, and this is also an instance in which no withholding tax or other individual income tax applies. However, a salary as distinguished from a dividend would be subject to Puerto Rican individual income tax. The rate of this tax is materially less than the corresponding United States rate, but income-splitting is not permitted. In the middle income brackets the tax burden on married couples is comparable to that imposed on the mainland.

As to individual and corporate investors alike, the Puerto Rican tax exemption program offers substantial attractions to investment from the mainland. These attractions are designed to further the economic needs of the Commonwealth, and hence they advance the policies of the mainland government as well. Investors can take advantage of the program with an assurance which is not always provided by tax arrangements.

*An address by Mr. Baker before the Conference on Investing and Operating in Puerto Rico sponsored by the Bank of America N. T. & S. A. and First National City Bank of New York, Beverly Hills, Calif.

Europe Termed High-Cost Food Producer

Chase Manhattan Bank recommends to Europe a farm policy that includes importing more food and releasing labor inefficiently used on farms to industry.

The six nations of the European Common Market have not yet solved their basic agricultural problem. Economically speaking, there are too many farmers, too many farms, too much inefficiency, too many controls, and too much protectionism in agriculture on the Continent. This opinion is expressed by *Report on Western Europe*, The Chase Manhattan Bank's bimonthly survey, in the latest issue, published Tuesday, Sept. 13.

The six governments are now considering proposals for a common agricultural policy presented during the summer by the Common Market Commission. These proposals are an attempt to grapple with farm problems of the six countries on a European scale, the bank publication points out.

"A common agricultural policy would have great economic significance, both to the Common Market and to the rest of the world," says the Chase Manhattan report.

"Within the Common Market, agriculture accounts for 13% of total production and employs roughly one quarter of the labor force. To other countries, the Six together represent the world's largest market for agricultural goods."

As a high-cost producer of food, says *Report on Western Europe*, "the Six could, with great economic dividends, import more foodstuffs and gradually shift resources from some lines of agriculture to industry where labor is in short supply. In short, the real problem is not only to strengthen but to shrink the base of agriculture in the Six over the long term. There are great political problems in putting through such a program. But, to the degree that the Commission's agricultural policy leans in this direction, it will favor the over-all interests of the Common Market."

A. S. Williams With Ball, Burge & Kraus

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Alan S. Williams has become associated with Ball, Burge & Kraus, Union Commerce Building, members of the New York and Midwest Stock Exchanges. Mr. Williams, who has recently been with Murch & Co., Inc., was formerly Cleveland manager for Central States Investment Co. and prior thereto was with North American Securities Co.

W. O. Wingfield Opens

ELKINS, W. Va. — William O. Wingfield is engaging in a securities business from offices here. Mail address is Box 1121 College Street.

Joins Hayden, Stone

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Me. — M. Abbott Pendergast has become affiliated with Hayden, Stone & Co., Casco Bank Building.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The much awaited "advance refunding" offer of the Treasury was announced at the end of last week. The offer of new 3½% bonds, in addition to the one 3½% long-term obligation now outstanding (it was put out in 1958) in exchange for selected issues of the World War II 2½s was in line with expectations of the financial district. The Treasury has set an overall limit of $7,000,000,000 in this exchange offer, but apparently will be willing to accept a lesser amount.

The issues involved are the 2½s due 1962-1967 which the Treasury will accept in unlimited amounts for a new 3½% bond due Nov. 15, 1980. The 2½s of 1963-1968 will be accepted within limits for the 3½s due Feb. 15, 1990. This bond is presently outstanding, having been floated in 1958. The Treasury will also accept the 2½s due June 15, 1964-69 and the 2½s due Dec. 15, 1964-69 along with the 2½s of 1963-68 in the combined amounts of $4,500,000,000. The 1964-69s in exchange for the 3½% bond coming due on Nov. 15, 1998.

Successful Operation Indicated

The refunding operation will be open until next Tuesday, Sept. 20. This long expected "forward refunding" offer by the Treasury will help to clear the air for the long-term Government market since one of the uncertain forces overhanging it has now been removed. The opinions in the financial areas are that this will turn out ot be a very successful undertaking by the Treasury with a sizable amount of the $12,474,000,000 of the 2½% bonds being turned in for the refunding 3½s.

The movement of quotations in Government securiites is not likely to be very decisive in either direction until the fall pattern of business is more clearly defined. It is evident that there is not too much agreement among economic experts as to how the business cycle will move in the forecastable future. Certain money market advisers hold the opinion that the economy will move pretty much along current lines for the balance of 1960 and this makes a policy of money market ease such as we have been experiencing quite likely to be the order of the day. On the other hand, there are those money market specialists who believe that the business pattern will assume a more defensive trend as we move towards the end of the year and this will bring about an easier tone for money and credit. This could be accomplished through the direct purchases of Government securities (the short-term liquid issues) by the Federal Reserve banks or by another lowering of reserve requirements by the Federal Reserve Banks.

Lower Rates Possible

However, there is a limit as to the amount of ease that might develop in money and credit, because of a downturn in the economy. It is evident that the cost of obtaining funds cannot go so low that we will be faced with a wholesale withdrawal of foreign funds through the medium of gold being taken from here.

Nonetheless, money rates could go lower than they are now before gold will be leaving here in sizable amounts, in the opinion of many money experts, because foreign Central Banks, the largest owners of funds here, will not pull out their balances because of lower interest rates. As long as the dollar remains a sound currency, as it is now, these balances of foreign Central Banks are not likely to be disturbed because of lower interest rates due to a more defensive economy.

The movement of funds into fixed income bearing obligations continues to go ahead at an increasing rate with Governments, corporates and tax-exempt issues getting their proportionate share of this money. At the present time it is evident, however, that the non-federal securities are getting a larger amount of these funds than are the Treasury obligations because the yield in the former issues is more favorable.

Equity Money Going Into Treasury Issues

However, a not insignificant amount of funds is being put to work in selected Treasury securities, ranging from the near-term issues to the most distant maturities. It seems as though common stock monies are being invested in Treasury bills and intermediate-term obligations with the World War II 2½% bonds being among the leading issues being bought by this group.

Commitments in the longer-term Government bonds seems to center mainly around the 4s of 1980, the 3¼s of 1985, and the 3s of 1995, which appears to indicate that, in addition to pension funds, there are also purchases being made by those institutions which have in the past put most of their monies into equities. This movement of common stock funds into selected Treasury issues could build up with a defensive tone to the economy.

According to advices, the intermediate-term Government issues with the highest discounts appear to be attracting the type of buying which is believed to be interested in trading these securities with not too much of a price movement. In other words, it looks as though a (stock) trading group is becoming interested in selected middle-term maturities.

Politics, Prospects and Prices In the American Economy

Continued from page 11

number of people in our economy should be a matter of concern to all of us. To those affected, it may be a personal tragedy. In June 1960 there were 1,200,000 more people working than in any previous month in our history—68.6 million. What's more, millions held down two jobs and in many cases both jobs were full-time jobs. But some of our politicians make much over the fact that unemployment went up by 900 thousand in June. They did **not** tell you that 804 thousand of them were teenagers. The rest are more than accounted for by other unskilled laborers and service workers — which indicates the need for upgrading the skills of our workers. The laid off worker over 45 years of age was having a heck of a time getting a new job —and that's due to the current seemingly unjustifiable prejudice against age. Of the 4.4 million unemployed, about 1 million were married men and relatively few of them had been out of jobs for as long as two and one-half months. Of this latter group, an unusually large number of them were over 45 years of age.

In July employment went even higher. However, the rise was slightly less than seasonal, so on a seasonally **adjusted** basis employment declined by 4/10th of 1%. But personal income even on a seasonally adjusted basis continued upward and although some factory workers were furloughed their loss of income was partially offset by increases in unemployment benefits.

In spite of, or because of, the gyrations this year, most inventories seem to be at a reasonable level. Although manufacturers' inventories are at a high level they are relatively low in relation to sales (1.78 months) and those of manufacturers of nondurable goods are exceptionally low (1.43 months).

It seems to me that we have for many years been going through a revolution in regard to **retail** inventories. This trend has continued during the past decade. If we eliminate auto inventories, other retail inventories have increased very little during the past seven years. The inventory sales ratio has declined during those years from more than 1.8 months' sales to 1.35. Such increase as occurred was due entirely to price increase. If we adjust them to a constant or real dollar basis, retail inventories on a unit basis have rather consistently declined while sales on a unit basis have increased substantially. To me this is amazing. Perhaps there are many causes. Perhaps there's better control due to better planning and to better methods, (computers, etc.) Perhaps also the revolution in the whole field of merchandising is an important factor.

There is another area where the economy has done well this year and that is in net exports. The economics of Western Europe have been booming and it appears that the growth there will continue for some time. If there is weakness in Europe's economy concurrent with that in our economy then we become more vulnerable. One of the happier facts of our present situation is the continued great prosperity of Europe.

Although construction expenditures are holding up rather well, the trend in housing is disappointing. While many expected July housing starts to increase, they dropped substantially. The optimist, however, might seize upon this as supporting his forecast, for in recent years the housing industry has been contra-cyclical.

Prospects for Rest of the Year

What are the prospects for the balance of the year? I would be less than honest if I led anyone to believe that I know. One might find plenty of evidence to justify the position that we're on the verge of a recession. Usually when we're looking **forward** we don't dwell on the usual current statistics of activity, but watch for the items that cast a more accurate shadow on the future. I must frankly state that these indicators have been performing rather badly this year. If we were to give them the **usual** attention, we would have to conclude that the pickup this fall and winter might be less than seasonal and that we are near a period of receding business. Most of these leading indicators reached peaks during either the second quarter of 1959 or the fourth quarter of 1959. But during the second quarter businessmen were frantically preparing for the steel strike and during the fourth quarter they were frantically trying to make up for lost time. If this is true then we should discount to some extent the story that these indicators usually foretell, but we cannot dismiss them.

On the other hand, most inventories are low in relation to sales, capital spending continues at a high rate, and steel operations have been far below steel consumption, indicating that either steel production must soon go up rather drastically or consumption must decline abruptly.

During the past 18 months the Federal rate of **deficit** has changed drastically to a Federal rate of **surplus** but now this radical and depressing impact of the change on the economy is behind us. Changes the next few months will be moderate. Treasury cash operations were running at a seasonally adjusted annual rate of $6 billion **deficit** in July of 1959 and a seasonally adjusted annual rate of **surplus** of $7.2 billion in July of this year.

Government orders during the first half were relatively low, but are now being increased. State and local government spending should continue upward at the rate of $3 or $4 billion annually. Politics may be a psychological factor especially when we must conclude that whichever candidate wins, Federal expenditures will go up. The only question is how much they'll go up. A reasonable guess is that they'll rise at least by $2 billion annually over the next two years. The impact will not be felt this year, yet it is a factor, for if people see this ahead some of them may not pull in their horns as much as otherwise.

Speaking of psychological factors, perhaps the coming football season will help our morale the last quarter, and I say this half seriously. For example, we are generally gloomy in February and optimistic in April. If we could only have the World Series in February it might help our morale, for the television takes our minds off the stock ticker and the order book.

Sees No Recession and Expects Upturn in 1961

At this point I shall stick my neck out. I believe that during the balance of this year business will be only fair and that we are **not** on the verge of a recession as I define it (that is, as a decline of about 8% to 10% or more in industrial production, or 4% or 5% in GNP). I believe that October employment **seasonally adjusted** will at least remain at present levels.

The full impact of easier money is still to be felt. The full impact of higher current Government orders will not be felt until next year. It seems reasonable that there will be an improvement in our economy by the middle of 1961, and perhaps earlier. I believe these trends will occur regardless of who wins the contest in November.

But I must point out that the current business expansion is getting old as such expansions usually go. Such a period is one for unusually careful planning. The careful planner thinks ahead about his various courses of action under three alternative assumptions: (a) that the economy will continue in a straight line, (b) that the expansion will accelerate, and (c) that a decline may be about to set in. He then watches the situation closely and puts the appropriate previously considered alternative set of plans into action.

Prices

Inflation is a vicious monster —but to so many of us she is a secret but fascinating flirt. We inveigh against her to our friends but when they leave, we call her for a rendezvous. We think we can beat inflation, and some of us do. Inflation would not be a problem were it not for the fact that so many of us secretly want stable **prices** for the other fellow's product, but want rising prices for our own product. It would be so nice for our salaries to go up each year while the prices we pay remain static. For most of us this can be only a dream. But dreams are made of potent stuff and no wonder we force our candidates to promise us that (a) they'll provide us with many things, and (b) it really won't cost us much. There has been an unmistakable bias toward inflation. Most of us need only a mirror to see who really is to blame.

Good management dictates that we deliberately operate with a deficit during a recession and a surplus during good years. History tells us that since the War we have had about three good years for each bad year. You'd think then that during the past 12 years we'd have had a net surplus in the aggregate.[4] We didn't! We ran short in respect to our official budget by $33 billion or an average of nearly $3 billion per year. We must do better during the next decade.

But business and labor are also to blame for inflation. Because the biggest single cost of doing business is labor cost, I suppose we must conclude that the biggest single cause of our inflation has been the fact that in the aggregate wages have consistently risen faster than productivity. Some of our businessmen also have been at fault. Some price increases are not justified and thus not in harmony with the businessmen's own **long** term interests. There is featherbedding in both labor and management.

Blames Business for Poor Planning

Too often the highest level of capital spending has come during the latest stages of business expansion—thus aggravating an already inflated economy. Thus capacity is added just in time for a recession. Capital spending usually has been at the lowest level during a recession when one should be adding capacity to accommodate the rising sales that follow. In each case businessmen's timing of their spending has aggravated an already undesirable situation. They have paid more for their plants and equipment and failed to benefit from the higher quality of work obtainable in periods when labor and materials are plentiful. Other businessmen have failed to keep their machinery up to date and their costs are too high. The average machine tool in the United States is now older than at any

4 Because the years 1946-48 were so close to World War II and our defense spending was collapsing, I have not included budget problems for those years.

time since 1946. Many businessmen now have the knowledge and the opportunity to make a major contribution toward economic stability — and in a way which is compatible with, and even contributes toward, their own self interest.

Symbolic of the more progressive planning was a statement attributed to Roger Blough, Chairman of U. S. Steel. When asked if he planned to curtail capital expenditures in view of the then existing steel production rate of about 50% of capacity, he answered, "If anyone really wants to make capital expenditure dollars go as far as possible, now is the time to do it . . . and with our reduced operating rate there is less interference with production when we install equipment. . ."

A similar improvement in planning is required for inventory purchases. These are the challenges for you businessmen. A major cause of recent cycles has been erratic and ill-timed business purchases. An improvement in our general economic stability is in part up to the businessmen. Everyone would profit.

Inflation Yields Unemployment

The solution to the price problem (and the political dilemma connected therewith) lies in part in the necessity to recognize the truth of this equation. Purchasing power does not rise evenly among all groups. Continually rising prices may cause us to price ourselves out of some **foreign** markets ($17 billion), then a portion of the **retired** citizen market ($30 billion), followed by a portion of the **schoolteacher** market ($7.5 billion) and so on. After each step we need fewer workers to supply the goods and services for these groups, and workers may be furloughed. If the process moves far enough and fast enough, at worst it means catastrophe. If it moves slowly it will at best surely retard economic progress. If enough of us ask more of the economy than we put into it, we may find even ourselves among the unemployed. Think of the benefit to all if this point were put across to the electorate!

In spite of earlier inflation, we have in general enjoyed stable prices for the past year and a half. Consumer prices have slowly edged upward, wholesale prices have been steady, and raw material prices have gone down.

How about future prices? The responsibility rests upon all of us. There are now relatively few shortages of capacity. There are scarcely any areas of the country where there are critical shortages of labor, although there is a moderate shortage in several cities (but there is a critical oversupply in others). The budget is in balance. Recent wage contracts have been inflationary in nature but not so much as in earlier years. What we've been having is almost the ideal—a reasonably high level of prosperity along with reasonably stable prices. Based on the foregoing facts, it would seem reasonable to expect reasonably stable prices for the near-term future—say for the next year. The tendency may be for only a slight rise.

But how about the prospects for the longer-term? I believe the people are becoming more literate on the subject of inflation. I believe they have some doubts about having their cake and eating it too. But I also believe that many of the pressures are still there and that most of us at least partially believe we can take more from the economy than we put into it. Unless we become completely convinced that inflation is the road to unemployment, the outlook during the next five years will be for rising prices with some interim periods, such as the present, when prices are temporarily stable.

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*An address by Dr. McMillen before the Carolina-Virginia Purchasing Agents Association, Roanoke, Va., Sept. 9, 1960.

F. I. du Pont Adds

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif. — Thomas S. Watters has been added to the staff of Francis I. du Pont & Co., 1200 J Street. He was formerly with Walston & Co., Inc.

With Hill, Darlington

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Martin J. Mullin, Jr. has become connected with Hill, Darlington & Co., 80 Boylston Street. He was previously with Josephthal & Co.

Donbar Common Stock Is Sold

Pursuant to an Aug. 26 offering circular, Netherlands Securities Co., Inc., and J. A. Winston & Co., Inc., both of New York, N. Y., publicly offered 75,000 shares of this firm's 10¢ par class A common stock at $4 per share. This offering was oversubscribed and the books closed.

The company will use the net proceeds of the sale of the shares offered, estimated at $228,000 after payment of all expenses, if all the shares are sold, for the following purposes in the following order of priority:

(1) To purchase undeveloped land in Atlantic County, N. J., approximately, $33,000.

(2) To survey, plot, bulldoze roads and generally improve undeveloped land, approximately, $25,000.

(3) To reduce short-term bank obligations, $100,000.

(4) To advertise and generally promote the land to be acquired in Atlantic County, N. J., approximately, $20,000.

(5) To working capital, $50,000.

Donbar Development Corp. was organized under the laws of the State of Delaware on May 4, 1960, and maintains an office at 237 Sylvester St., Westbury, N. Y. Donbar Development Corp. through subsidiary corporations is primarily in the business of purchasing undeveloped or semi-developed land upon terms of sub-division into lots which are offered for sale to the public on instalment terms. The company also builds low priced homes on homesites under contract from homesite owners and in one locality operates a golf and country club with membership restricted to homesite owners in that locality.

Western Church Fin. Corp.

(Special to THE FINANCIAL CHRONICLE)

HAWTHORNE, Calif. — Western Church Finance Corporation is engaging in a securities business from offices at 3940 West Compton Boulevard. Officers are Roger D. Hebard, President; Robert O. Gose, Vice-President; and Vivian R. Hebard, Treasurer.

Outlook for Rebuilding Savings via Life Insurance

Continued from page 3

duced the financing of a sound growth.

The Growth of Saving Through Life Insurance

The principal channel of saving by the American people in the past 60 years has, of course, been life insurance. During that period, over $106 billion of savings have been accumulated through the channel of life insurance. The figures are that in 1900 the savings accumulated by the American people through life insurance amounted to the modest sum of $1.7 billion. At the end of 1959, accumulated life insurance savings had risen to $108 billion.

The tremendous growth of saving through life insurance is, of course, partly the product of a growing national economy. One would naturally expect life insurance sales to increase as the economy expands. More important, however, and easily overlooked, is the great contribution which the productive investment of life insurance funds has made to the growth of our economy. Let me illustrate how the life insurance business has contributed to economic growth.

The 12 years since 1948 have witnessed a great burst of growth, and our business has been a vital factor. During this period (1948-1959, inclusive), American business and industrial corporations have borrowed **net new money** amounting to about $53 billion in order to aid in financing new plant and equipment and for working capital. Of this total, nearly $29 billion was obtained from the life insurance companies of the country. In other words, 54% of the net new money obtained in the capital markets by business and industrial corporations to finance their expansion, modernization, and working capital requirements in this period came from life insurance companies alone. About 70% of these funds went to business and industrial firms, with the remainder going to public utilities, and in small measure the railroads. Please note that I specifically mentioned the **net new money** supplied by life insurance companies to business and industry. Actually, due to repayment of existing loans by corporations, the life insurance companies actually made a much larger volume of loans to business and industrial corporations in this period. We have reliable figures which show that in order to increase their holdings of corporate bonds by $29 billion during 1948-1959, the life insurance companies actually purchased something like $85 billion of corporate bonds. I would like to emphasize, moreover, that these funds were invested imaginatively by the investment officers of our companies in a way that provided the financing for a wide variety of growth-producing ideas. Time, unfortunately, does not permit detail on the tremendous diversification of our industrial investments.

But it would be a mistake to think that the investment of life insurance saving—and the contribution to economic growth—has been limited to the purchase of the bonds of business and industrial firms. During the same period, 1948-1959, the life insurance companies added to their holdings of mortgages on business and industrial properties, and apartment buildings, in an amount equal to $10.5 billion. Since the total mortgage debt of this type increased by $37 billion in this period, the life companies provided about 29% of the total of this financing. Thus, these are the funds which in the past 12 years have been employed to build office buildings, warehouses, department stores, shopping centers, and many other commercial and industrial facilities which have meant so much to the growth of the country. It is largely through this channel that life companies have provided millions of dollars of financing to small business concerns.

Perhaps most interesting is the enormous contribution which life insurance savings have made to better housing of our people, which certainly improves our productive capacity as well as our living standards. During these past 12 years the life insurance companies have expanded their holdings of mortgages on 1-4 family houses in an amount equal to $20 billion. In other words, about 20% of the total increase of $103 billion in home mortgage debt in the country as a whole during this period has gone to life insurance companies. But this again really underestimates the total impact of life insurance companies in home financing because it does not take account of amortization of mortgages and other mortgage repayments. We have reliable information which shows that since 1946 the life insurance companies of the country have actually made about $46 billion of home mortgage loans, of which $13.5 billion have been FHA-insured loans, $10.5 billion have been VA-guaranteed loans, and approximately $22 billion have been uninsured home loans. Just think of what this means! If we were to assume that the average mortgage loan during this period was $10,000 (a reasonable assumption), the life insurance companies provided the financing making possible the purchase of homes by 4,600,000 American families.

These, then, are the principal ways in which the life insurance savings of our people have provided the financing of sound economic growth. They are not the only ways, however. Time does permit me to go into other types of life company investments of lesser magnitude such as the purchase of state and local government bonds which have provided the financing for toll highways and other public improvements. The same is true of direct investment in real estate and housing facilities, and many other investments.

Thus, the productive investment of life insurance savings has been a major source of the rapid growth of the American economy.

The Current Trend for Saving Through Life Insurance

As we look to the future and our aspiration for continued economic growth of the nation, the question arises as to what the prospects are for saving through life insurance. What is the current trend of life insurance saving? Here we come right up against the disturbing fact that life insurance seems to be losing some of its vigor as an expanding channel of saving. The rate of saving through life insurance in the past several years has slowed down perceptibly. Only time will tell whether this is merely transitory or whether it is a lasting trend.

The facts in brief are these. During the first five decades of this century, the amount of saving accumulated through life insurance tended to double every decade. During the decade from 1899 to 1909 the savings accumulated through life insurance rose from $1.5 billion to $3.3 billion, or about 120%; from $3.3 billion in 1909 to $6.2 billion in 1919, or a rise of 90%; from $6.2 billion in 1919 to $15.3 billion in 1929, a rise of 147%; from $15.3 billion in 1929 to $27.3 billion in 1939, a rise of 80%; and from $27.3 billion in 1939 to $57.8 billion in 1949, a rise of 112%. Thus, it is possible to state that during the first five decades the volume of saving accumulated through life insurance approximately doubled, or more than doubled, each decade. The annual percentage gain in accumulated saving through life insurance ranged from six to 12% during this period.

The decade from 1949 through 1959 definitely began to reveal a slowing down of saving through life insurance. Accumulated life insurance savings rose from $57.8 billion at the end of 1949 to $108 billion at the end of last year, an increase of $50.2 billion, or 87% during the past decade. These figures in themselves might not seem a reason for concern were it not for the fact that during the six years from 1954 through 1959 the annual amount of saving through life insurance has rested on a plateau with the annual figures falling within the narrow range of $5.2 billion to $5.5 billion. The percentage increase in accumulated saving has declined steadily from 6.9% in 1954 to 5.3% in 1959. If life insurance savings perform during the 'sixties as they have since 1954, total accumulated life insurance savings in the decade will increase about $55 billion, or a little more than 50%—far below the doubling of earlier decades. This is not a happy prospect in view of the great needs which lie ahead for the sound financing of economic growth.

Reason for Slowed-Down Growth

What are the reasons for the slowing down in the flow of life insurance savings? Some of them will undoubtedly readily come to mind. Studies which we have made indicate that the basic reason is that for a considerable period the life insurance companies have been writing an increasing portion of business that involves little or no element of saving. A strong shift has taken place in the "product mix" of life insurance toward individual term and group business, and away from permanent cash value insurance which involves the accumulation of savings. In addition, our growth in the pension field has slowed, apparently because of tax and investment advantages enjoyed by the uninsured pension funds. A further important reason is that during the last several years there has been a noticeable rise in cash surrenders and policy loans. Surrender benefits, for example, have risen steadily from $644 million in 1952 to $1,452 million in 1958, and policy loans from $506 million in 1952 to $1.1 billion in 1959. In addition, there has been a noticeable tendency for funds left on deposit with life companies under supplementary contracts to decline.

In part, the increasing proportion of life insurance sales involving little or no element of saving is the product of changing sales emphasis in the business. In part, also, the slowing down of life insurance saving in recent years has undoubtedly been the product of reduced confidence on the part of the general public in the stability of the value of the dollar. Inflation—or the fear of inflation—does not provide a climate favorable to saving through long-term fixed-dollar contracts. Instead, the expectation of inflation discourages saving in traditional forms and promotes speculation in equity investments such as common stocks and real estate.

Other reasons undoubtedly exist. Rising interest rates on other forms of saving, for example, as well as fear of inflation, have undoubtedly been part of the reason for the decline in funds left on deposit under supplementary contracts. The fact, in any event, is that saving through life insurance seems to have lost some of the vigor of its growth. Perhaps this tendency will be reversed, and a stronger growth rate will be resumed, but we cannot ignore the present trend.

The Comparative Growth of Other Forms of Saving

What has happened to the comparative growth of other forms of saving in the past dozen years? Some of the main forms have been experiencing a remarkable rise. For example, the volume of annual saving through savings and loan associations has jumped from about $1.2 billion in 1948 to $7.5 billion in 1959, a six-fold increase. The volume of savings annually through uninsured corporate pension funds, such as the Bell Telephone System fund and the U. S. Steel fund, has risen from $700 million in 1948 to $3.3 billion in 1959, nearly a five-fold increase. The total funds accumulated through mutual funds have risen from $2.3 billion in 1948 to $17.5 billion in 1959. A substantial part of this rise is accounted for by rising common stock prices, but in any event the growth has been spectacular. On the other hand, the mutual savings banks have displayed little capacity for growth in the period, rising from $1 billion of savings in 1948 to a high of $2 billion in each of 1954, 1955 and 1956, but falling back to $1.5 billion in 1959.

The fact is, then, that life insurance saving has not been showing the capacity for growth characteristic of many other forms of saving in recent years. This is a cause for concern to the life insurance business not only for competitive reasons, but also because it means a channeling of savings more and more into institutions which have a highly specialized investment program. The enormous expansion of the savings and loan business, for example, means a larger flow of funds by necessity to residential financing. The comparatively slower rate of saving through life insurance has significant implications for economic growth because of the highly diversified and heavy investment of life companies in business and industrial securities and mortgages.

The Future Economic Growth of the United States

So much for the record of the past. I would like to turn now to a consideration of the future economic growth of this country and the role of the life insurance business in our expanding economy. Great opportunities lie ahead for our business. The country needs a vigorously growing life insurance business to assure an important source of savings for the financing of sound economic growth. There are great opportunities ahead of our business, but there are also dangers, which we must recognize. Let me spell out what I mean.

We are now in the midst of a hot political debate about the economic growth of the United States—and what to do to accelerate it. In coming months the question of growth will be a prime political issue. The basic reason that growth is so in the spotlight, of course, is the threat of a Communist world growing at a faster rate than the United States. We are all aware of Mr. Khrushchev's boast that the Soviet system is a more efficient system that will soon outstrip the American economy in productive capacity. Statistics about the Soviet system are not noted for accuracy, but recently the U. S. Central Intelligence Agency published estimates of the possible growth of Soviet Russia in the next decade. Measured in terms of constant 1958 dollars, the CIA estimates that the Soviet GNP was about $120 billion in 1950, that it will be $225 billion this year, and that it will reach about $420 billion in 1970. The CIA estimates that during this decade the Soviet GNP will grow at a compound rate of 6%. By comparison, if the United States economy grows at the historical rate of about 3%, our GNP by 1970 would total $675 billion. This is still a large margin over Soviet output, but the spread is narrowing. Figures such as these have set the stage for a great hue and cry about what can be done to accelerate the economic growth of the United States. Practically everybody is for an accelerated rate of growth, with the big question being **how** to obtain it.

Until recent years, economists have been satisfied to trust the driving forces of our market economy to produce growth. Under a system of free markets and free choice by individuals, economic growth was considered to be the inherent product of free initiative and the desire to improve one's living standards. The role of Government was primarily conceived to be the maintenance of a favorable climate for the growth-producing energies of our people. A primary function of Government was to preserve vigorous competition and to encourage individual initiative in saving, investment spending and industrial innovation. The concept of the role of Government has been changing, but this is still the basic view of many—perhaps the majority—economists in this country. However, there are some who would assign a different, much more aggressive role to the Federal Government in accelerating economic growth.

As an example of this latter approach, last year the Joint Economic Committee of the Congress, under the chairmanship of Senator Paul Douglas, conducted an investigation of the general question of how to obtain faster economic growth without inflation. The report of the Committee staff, later followed almost to the letter by the majority report of the Joint Economic Committee, presented the following arguments:

(1) Economic growth slowed substantially after 1953. GNP rose at an average rate of 4.6% between 1947 and 1953, but growth slowed down to 2.6% between 1953 and 1959. Let me say, parenthetically, that one must be wary about the use of statistics.

(2) Tight money and a restrictive Federal budget policy led to this slowdown. These policies held down housing and industries supplying goods and services to Federal, state and local governments. The lack of purchasing power in the hands of our people kept expenditures for consumer goods below potential supply.

(3) Restrictive monetary and Federal budget policies since 1953 did not check inflation. Inflation was not general; it was concentrated in three areas: machinery where demand was excessive; autos and steel, where producers had market power to raise wages and pass on higher costs in higher prices; and in services such as medical care where supplies were inadequate.

(4) The evidence since 1953 indicates that a somewhat faster increase in demand for goods and services would have led to a significantly higher rate of GNP, while having only a minor impact on prices.

The recommendations of the staff of the Joint Economic Committee, strongly endorsed by the majority of the committee, were as follows:

(1) Maintaining a high level of purchasing power in the economy is the essential ingredient for rapid economic growth. If there is a conflict between the objective of stable prices, and those of high employment and rapid growth, the emphasis should be placed on growth.

(2) Monetary policies should be measurably easier than in much of the period 1953-1959, especially

much easier than in 1955-1957. The proper role of monetary policy should be to prevent a creeping inflation from becoming a gallop, while keeping interest rates as low as possible.

(3) Federal budget policy should be used vigorously to support economic growth and dampen business cycle fluctuations. Federal spending for schools, public works, health, and research should be increased. Taxes should be cut in recessions and increased in good times to provide surpluses when inflation threatens.

(4) To reduce the instability of the economy, direct controls by the Federal Government should be imposed on such areas as consumer credit, housing, bank loans to carry inventories, and perhaps, business investment in new plant and equipment.

(5) If it should turn out that inflation is a serious problem, the approach should be to reduce the market power of large producers through anti-trust action and lower tariffs. If such actions do not succeed, then the "profits—wages—prices" spiral should be checked by successively greater Government intervention, leading ultimately to direct controls over prices and wages.

These, then, are the views and recommendations of the staff of the Joint Economic Committee (endorsed by Senator Douglas and the majority). I suggest looking at the party platforms to see whether the Joint Economic Committee's work was an idle exercise. The limitations of this paper do not permit me to go into the merits of these arguments. However, I am sure that many will agree that they have vital implications for the life insurance business. My own view is that **sound growth** requires public and private measures to stimulate saving and investment in our economy. It requires above all stability in the value of the dollar, because inflation destroys the will to save and is thus the enemy of growth. To attempt to force a faster rate of economic growth through expanding Government spending and easy money has grave inflationary implications for the life insurance business and for the welfare of the country as a whole.

The Role of the Life Insurance Business in an Expanding Economy

What then should be the role of the life insurance business in our expanding economy? I would sum it up as follows:

(1) In view of the Communist threat to the security of the free world, a faster rate of economic growth in this decade is of vital importance.

(2) The only way to obtain a faster growth on a sound basis consistent with the preservation of our system of political and economic democracy is to achieve a higher rate of national saving and investment spending. Any attempt to achieve growth via the path of easy money and Federal deficit spending will succeed only in producing inflation, and will in the end destroy an essential ingredient of growth—the will of the people to save.

(3) The life insurance business now has a great opportunity to aid in providing the means to sound economic growth. It can do so by rededicating itself to encouraging the American people to save through life insurance.

(4) There is no reason today for the life insurance business to be backward about selling permanent cash value contracts. Since 1947 the **average** rate of return on life insurance company investments has risen from 2.88% to nearly 4%, and many companies are, of course, well above this average. The new money invested by companies is earning 5½% or better. Moreover, due to call protection on bonds which most life companies have been able to obtain in the past several years, the companies will continue to earn this higher rate for a considerable period even though the general level of interest rates should decline. At the present level of common stock prices, moreover, the average return to investors is about 3¼%. On this basis, it takes a large expectation of capital gains to offset the much higher rate on life insurance investments—and remember the advantages of compound interest. So, permanent cash value insurance is an attractive investment, aside from the tremendous advantages it provides in the way of protection against unforeseen contingencies. The life insurance business has a great opportunity and a responsibility to rededicate itself to stimulating national saving, and it is gratifying to see that many companies are intensifying their efforts through improved sales materials developing the investment advantages of life insurance.

(5) There is no need for the life insurance business to be defeatist about the inevitability of inflation. Inflation is man-made and can be held in check by wise public and private policies. The American people have come to realize this in the past year. However, success in checking inflation requires eternal vigilance.

(6) The life insurance business has recognized its responsibility to aid in combating inflationary policies—whether public or private. This has been done in part through a campaign of public education and in part through a more direct effort to encourage anti-inflationary Federal policy measures. I believe that in this decade, with the great danger that our Government will be constantly tempted to pursue faster economic growth through inflationary programs, it will be vital that the life insurance business equip itself thoroughly to have a much more powerful direct influence with public policymakers toward the end of avoiding inflation. Almost every day Washington has a bright new idea with serious inflationary consequences if held carefully to the light. Should not the life insurance business be fully equipped to bring its influence directly to bear on these ideas in a way that shows we are determined to fight inflation in every way it shows its ugly head? All of the special interest groups have their powerful lobbies in Washington to promote all manner of inflationary schemes. Why should the saver not have powerful and vigilant representation to protect him, and the general public at large, from these schemes?

(7) In brief, then, the role of life insurance in our expanding economy, as I see it, is two-fold: (a) to redouble our efforts to encourage saving through life insurance in order to contribute to sound economic growth, and (b) to bring our influence more directly and powerfully to bear in the interest of avoiding inflationary public policies.

Conclusion

In concluding my remarks, I believe with deep conviction that the life insurance business has a wonderful opportunity to do a public service in the years ahead of us. By rededicating itself to the promotion of saving by the American people through life insurance, and by the productive investment of these increasing savings in the expansion of national productive capacity, life insurance can contribute much to the sound economic growth of the country. It can thus play an important role in the protection of the free world against the threat of Communism. Moreover, it can be of great direct aid in fighting inflation and thus in aiding to insure the preservation of our free society here at home. Life insurance indeed has a vital role to play in our expanding economy.

*An address by Dr. O'Leary before the opening business session of the Guardian Leaders Club, New York City.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Hints for Double-Checking Over-the-Counter Situations

One of the major difficulties presented to the analyst of Over-the-Counter Market securities is the lack of volume indications that are recorded automatically each day on listed securities. Accumulation and distribution can sometimes be detected by price and volume action when observed by a trained technician. This opportunity is not available when it comes to non-listed stocks. There are, however, some automatic checkups that can be used which are helpful in attempting to judge the technical situation pertaining to such a security at a particular time.

Note the Firms Making a Market

Sometimes a stock is analyzed by a broker and copies of the material are widely distributed among other brokers and individuals. If this data is released by a firm that has not taken an active trading interest in the stock in the past, it may indicate that they are attempting to create a buying interest because they have a supply of stock for sale. If they have been active in the stock in the past, it will show up in the records available to any registered dealer in securities. This is not always a sure sign that stock is available for distribution but it (like some of the other clews) may be a straw in the wind. It could also be possible that a firm that has made a trading market in the stock for a long time also is desirous of creating some buying interest. It is advisable to carefully check back for a few months and note the names of the primary trading firms in a security if you are looking at something that is offered in a bullish report on an unlisted stock. Any unusual additions to the list of trading firms in a stock when a report is issued may be worthy of checking. Sometimes firms in one part of the country take orders for brokers in other areas and act for them. Check the number and names of trading houses if you are studying a new situation that has been offered to you.

Check Bids and Offers

Go back through the records and note the variations of recorded bids and offers pertaining to the subject security. A check of these figures backward for at least six weeks is sometimes helpful in determining the market status of a security; where the main interest has been in the past; and any changes of particular interest. Although the volume of trading is not recorded, sometimes a valuable clue can be discovered by looking back at the records. Firms that have maintained a trading interest in a stock usually show firm bids and offers at stated prices rather than record their interest on a bid wanted and offer wanted basis.

Some Firms Are Primarily Trading With Other Brokers

There are many investment firms that do business only with other brokers, banks and professional investors. These firms maintain positions in Over-the-Counter Market securities and specialize in particular items. An acquaintance with these firms through a study of the daily quotation records, and as a result of experience, is also helpful in determining unusual interest in any particular security. It is also possible that these firms are in a better position to check the technical trading activity in any situation and can be helpful to clients if their opinion regarding this phase of your analysis is requested of them. It is also advisable to have some friends among the trading houses who appreciate your regular business—sometimes they can be helpful to you.

Technical Aspects Should Be Checked

Regardless of the fundamental attractiveness of any stock, it goes without saying that often these particular features become publicized when someone has a substantial quantity for sale. It is just the same procedure as the merchant who has a large stock of good and advertises it in order to obtain customers and move it. The security buyer who purchases stocks at such a time may acquire a good security but he may also find that he is buying after a price move to a higher level. After the distribution has been completed, he may not again be able to sell it for a profit, or at a price comparable to what he paid for it. This is still a "buyer beware" world and don't forget it.

AS WE SEE IT

Continued from page 1

which such an astounding result was obtained for the purpose of determining whether the figure could be accepted as even half accurate. An "average rate of growth in this country" is itself somewhat of an enigma—the rate depending upon disputed concepts of growth and of rates and of how they are to be computed, but it is perfectly obvious that even if some "average rate" of growth is stipulated, an infinite number of different pecuniary effects might well be felt by individual working men to say nothing at all about "every working man." We can only hope that if not "every working man," then at least most working men in this country will know how to appraise such statistical balderdash.

But the candidate has other use for this rate of growth idea, which as is well known has taken firm hold upon labor union leadership in and around Detroit. "With a really healthy rate of growth," he tells us, "this country can have full employment for all who want a job; with a really healthy rate of growth we can pay for all the defense that this Administration said we can't afford. With a really healthy rate of growth we can afford the best schools for our children and the best-paid and the best-trained teachers. And, finally, with a really healthy rate of growth we can talk about an economic crusade for justice." To the Senator it seems that all our economic problems are very simple. All we need is a "really healthy rate of growth," and, of course, the candidate, if elected would, we are assured, see to it that such a rate of growth is attained, which a President can do, apparently, by merely setting "before us our national goals."

But the Senator is convinced that still other political nourishment is to be wrung from this rate of growth buncombe. For that purpose he lists three "facts"—some of which are as doubtful as his $7,000 gem, and all of them grossly misleading if taken out of their context. The "facts" are:

(1) "Our economy, under the first six years of the Republican Administration, grew one-half as much as under the last six years of the Truman Administration.

(2) "The Russian economy is growing at three times the rate of ours.

(3) "Last year the United States had the lowest rate of economic growth of any major industrialized society in the world."

Now we wish we could be sure that there was no need to point out again for the thousandth time the major fallacies of such "facts," but perhaps it is better to present once more, at the risk of boring the reader, some of the major weaknesses of this type of reasoning. As to fact number one: The last six years of the Truman Administration were years immediately following a devastating world conflict when consumers the world over were starved for all sorts of goods and this country felt it its duty to send billions of dollars in goods free of all charge to many stricken areas. They were also years immediately after an enormous inflation of the currency and credit, largely incidental to the conduct of the war. The candidate does not take the trouble to mention the fact that prices consumers had to pay for what they bought rose 25% during the six year period—and that after an increase of some 18% in the single year immediately preceding the six year period. All this without reference to the very questionable concept of economic growth as the increase in total output—a subject which we have more than once discussed in these columns.

Those Russian Figures

As to "fact" number two, how does the candidate know what the rate of growth is in Russia? Does he accept the figures handed out by the Kremlin? Does he include all sorts of production, or only those for which official figures are readily available—that is industrial output? Does he make any allowance at all for the different stage of industrial and economic development in the two countries? Is he, or his statistician, not aware that the smaller the point of beginning, the larger any given amount of increase will be when presented in percentage form? Is he, or his statistician, ignorant of the fact that industries or nations, like animals, tend naturally to grow faster when younger — that is when stated in the form of a "rate"—than in the later years? Is it not about time we put an end to all this statistical nonsense about Russia and its growth in recent years? Their progress has without doubt been great, greater in certain limited fields than has ours, but let us keep our statistical computations within reasonable bounds.

As to "fact" number three, let it be said without waste of words that the "rate of growth" over any one year period makes no sense. Changes in total production —which the candidate's statisticians use as synonymous with growth—vary enormously from one year to another. It is what is now so glibly referred to as the "business cycle." Such short-term changes are not "growth" in any real meaning of the term, but the usual and inevitable ups and downs of business.

Senator Kennedy is a victim of growthmanship, and its many, many quirks and serious fallacies. So evidently is his party. So also is labor union leadership. Which doubtless accounts for this elaboration of nonsense on Labor Day in Detroit. But may kind Providence save the rest of us from such buncombe!

Achieving Real Growth and Preserving Our Way of Life

Continued from page 1

toward a larger and larger government with an ever broadening scope of operations. Party platforms and speeches by the Presidential candidates seem to indicate at the very least, that the drift is going to continue. Such a drift makes more acute the necessity for reappraising what the role of government should be in an economy such as ours. We must not, in my opinion, so change the role of government as to jeopardize our basic strength.

Before we alter too much or discard the system we have, let us note first that the United States of America today has the highest standard of living of any country in the world. Let us note second that no other country can match ours in the broad diffusion of its living standard to so high a percentage of its populace. And let us note third that our present and past record of outstanding productive achievement—on a scale not even closely approximated by any other country — was made with an economy that was relatively free of government planning and dominance. All this was attained with a measure of individual economic freedom unmatched anywhere on this globe. This we should never forget.

Expects Increased Federal Spending

Nevertheless, it is only realistic to expect some increase soon in governmental expenditures on the Federal level, in response to the demands of those who insist that growth should be stimulated by expanding public spending. That being the case, thoughtful leadership must insist that such spending should be directed into channels that stimulate increased growth; and that those non-essential Federal expenditures that are not conducive to growth, should be avoided and eliminated.

This, then, raises the question of what expenditures are conducive to growth; what causes growth to happen. The answer depends upon a lot of things but mainly upon how best to develop and utilize available human, natural and man-made resources. They key to growth is how our nation gears itself toward investment for the future; since economic growth and progress depend primarily upon investment for the future. And the higher the growth rate that is sought, the higher the quality and the greater the amount of investment is correspondingly needed.

But Not Any Kind of Spending

When it is said that to accelerate growth we need increased investment, a broad definition of investment is presupposed. There should be included first what is usually included in investment—and that is, capital spending for tangible new, modernized and expanded plant and equipment. Second, there are expenditures for intangible services which are just as surely an investment in the future as are expenditures for plant and equipment. Here, we are thinking primarily about investing in education and in research and development.

My concern is not only with increasing the amount of investment but also with enhancing the form of it. To raise productivity our emphasis should be on promoting investment of the kind which embodies technological and organizational advances. When such a policy is followed in the acquisition of new capital goods and is complemented with investment in both education and in research and development, a firm basis for accelerating economic growth will have been established.

These investments in intangibles are particularly important in this day and age. The world is undergoing a series of rapid and marked changes. The emergence of new nations in Africa and Asia, the forming of new economic groups in Western Europe, the rising Communist menace throughout the world, all attest to the fact that these changing times are demanding some change in our attitudes and actions so that we may better organize and gird ourselves to cope with current and potential circumstances.

Foolhardy to Waste Our Resources

As has heretofore been suggested, the Communist threat particularly demands that we use all of our resources and potential. At this juncture of the Cold War, it is both criminal and foolhardy to waste our manpower resources by not affording sufficient opportunities for capable and bright young people who desire to go to college or vocational school but find themselves financially unable to do so. We canont afford to let talented young people waste their lives at inferior jobs just because they were financially unable to develop their talents to the full. Neither can we afford to waste the talents of our Negro citizens by denying them equal education and job opportunities.

Increased public spending is not necessarily the right or only approach to this problem. Nor, I daresay, is lasting insistence and reliance on solely private aid and effort. Our imaginations cannot be so short that we shall fail to develop some varied organizational device or instrumentality for blending private and public action toward the common good. If this means some increase in public spending for educational opportunities and facilities as a long-term investment, then so be it. But this does not mean necessarily that the increased spending must be at the Federal level. Federal spending should be limited not only to those functions which have a true national character but limited to those that cannot be performed efficiently or economically by private enterprise or by state and local governments.

Urges Ending Wasteful Spending

While it is important to increase spending in areas which are conducive to growth, it is in some ways more important to eliminate non-essential spending in areas which are not conducive to growth. Particularly illustrative of the type of public spending that should be eliminated is the whole area of spending that wastes resources to serve the interests of minority pressure groups at the expense of the general welfare. We simply cannot continue such profligacy. I have in mind here such wasteful spending by the Federal Government as expenditures for farm subsidies and price supports and for excessive non-war related veterans payments.

Badly needed public services are denied to the country because of the excesses of farm politics, public works, and aid to veterans that has nothing to do with their services as veterans. The point that matters is that with fiscal resources strained, it is difficult ot obtain, except through elimination of political wastes in existing services, the contribution that several useful new public services can make to growth. In short, we can't get the benefit of such contributions by ignoring wastes and trying, naively, to pay for new services through deficits without promoting inflation.

As one concrete example, let us consider for a moment our Federal agricultural program. Under this program we tax the general public for the benefit of a small minority who are engaged in farming. In many cases those farmers who need the least receive the most. The production of agricultural surpluses adds nothing to the general welfare and even subtracts from general well-being by wasting resources that might otherwise have been used constructively.

We at The Equitable like to think we know something about agriculture. The Equitable has been financing farmers for half a century. During all this long period we have maintained our enthusiasm for farmers and for agriculture as a desirable area for safe long-term investment.

Holds Agriculture Is Not an Ailing Industry

Today The Equitable has over $400 million invested in mortgages secured by farm real estate and is actively seeking more. We reject emphatically the notion that agriculture is an ailing industry that requires continuing Federal subsidies for its survival. Quite the contrary is true. American agriculture is by far the most efficient and progressive in the world. What it needs is to be freed of shackles imposed by a benevolent government and to be permitted to operate to its full capacity in a free market.

A Russian agricultural worker produces only a subsistence diet for six other Russians. In contrast, each American farm worker produces food and fiber sufficient for 25 other Americans. Tremendous surpluses are piled up in government warehouses. The cost of storage for surplus wheat alone amounts to over $1,000,000 a day. We cannot even get rid of our surpluses by giving them away without upsetting the domestic economies of our friends and allies.

To better understand the farm problem it is necessary to examine its parts. We have about 4½ million farm families living on the land. About a million of them are on farms that are too small and too ill-equipped for successful competition under modern technology. Another million are also on small and inefficient farms but this group has the advantage of some outside employment on a part-time basis. The remaining 2½ million families represent America's solid, efficient, modern agriculture. This group together with about 100,000 highly efficient corporate farms produce and market 90% of the total commercial output of crop and animal products. This first million families mentioned are the hard core of the farm problem. They are in fact pretty much a relief problem. Why not face it? They have been side-tracked by a technological revolution—a revolution consisting of large scale power machinery, improved seeds, fertilizers, insecticides, animal nutrition and irrigation.

This million farm families cannot be aided by a Federal storage and price support program because they produce too little to store and too little to sell at the supported prices. The 2½ million successful farmers and the corporations that least need Federal help get the lion's share of the appropriations. And worse still these successful farmers are prevented from achieving maximum efficiency by acreage restrictions, marketing quotas and other bureaucratic regulations.

The percentage of the population employed in farming has been declining in this country ever since the time of the pilgrims. The trend continues to this very day. Every Census of Agriculture shows fewer larger family farms. Our national policy should try to accelerate this trend, not to retard or to reverse it. The fact is that under present technology we still have too many resources of land, labor, and capital devoted to agriculture, devoted wastefully to the production of crops for which there is no market — yes, and for which there is not even adequate storage space.

Here is a program of Federal spending that needs complete reorientation. By training and encouraging farm people to accept non-farm jobs a sizable reservoir of manpower can be tapped for useful growth elsewhere in the economy.

Four-fifths of all agriculture income is from unsupported and unregulated production and in these areas there are relatively few problems. Only in the so-called basic commodities do we have government interference and surplus problems. The dead weight of government surpluses that overhangs the market must be removed so as to restore flexibility of prices.

Offers a Gradual Farm Program

It is not recommended that the farm program should be abolished in one fell swoop. Rather, I would recommend that price supports be retained during a transition period but geared to market prices in recent years rather than to an antiquated 1910-14 parity concept. They should serve as stop-loss floors, not as profit incentives. All efforts to control production through quotas or acreage restrictions should be eliminated. Reasonable limits should be placed on the amount any one farmer or corporation may receive from the government. The small farmer should be helped to increase his enterprise or should be given vocational guidance to help secure off-farm-employment. Finally, the soil conservation reserve might well be expanded temporarily until our production and market requirements can be brought voluntarily into proper balance.

It is my contention that any increase in Federal spending deemed necessary to accelerate the growth rate can be more than offset by decreases in Federal spending of the wasteful types referred to. Elimination of farm subsidies alone would enable us to reduce, for example, all rates in the individual income tax structure by as much as 12% or more, or to use these same savings in a positive and useful way.

But for the purpose of this discussion let us assume that we do require a net increase in Federal spending. This, in my opinion, does not mean that a fresh outburst of inflation is sure to follow. It is a mistake to look solely at the Federal governmental sector of our spending pattern. For inflation to occur, spending by all units of government (Federal, state and local), by private individuals and by business firms must in the aggregate exceed our capacity to produce goods and services. Federal spending can increase without inflation if spending in other sectors of the economy is reduced by courageous taxation.

But some will then argue. "Yes inflation can be controlled by taxation but in so doing you will stifle growth." I would reply that there are alternatives to control of inflation by taxation. "Let the government stimulate growth in the private sectors by removing road blocks some of which it alone has contructed."

Lists Others Drags on Our Economy

There are many alternative ways in which the government can take the lead in providing a climate conducive to economic growth. Drags on growth in our economy are numerous and include in addition to farm price supports, tariffs, import quotas, arbitrary interest rate ceilings, barriers to the mobility of labor and capital, administered prices, and featherbedding. All these hamper our economic freedom and interfere with economic pursuits that stimulate growth.

Our present tax structure is still another major drag on growth. Corporate and personal tax rates are much too high. A more flexible and realistic depreciation policy is needed and measures must be taken to encourage the accumulation of the savings necessary for increased investment in capital goods, education and research.

By changing our tax policy we can increase the rate of saving and the rate of capital formation for growth. When we get around to tax reductions I would suggest giving the reduction of the 52% corporate rate high priority rating. This would strengthen incentives, and much of the tax-saving would go into capital formation largely through re-investment.

In a communistic society, the savings necessary for investment and growth are forced savings—forced both in a literal sense and also through arbitrary curtailment of the production of goods available for private consumption. In a free society, investment and growth depend upon voluntary savings—savings accumulated because the consumer has, of his own volition, decided not to spend some of his money. To form and accumulate the large sums of capital for our economic development, we need savings — large savings; we need savings institutions, and we need to have the means to lend and to borrow money in order to transfer these savings into long-term and productive enterprise.

Importance of Debt Capital

Debt, the borrowing of money evidenced by bonds, notes or dollar obligations, has always been and always will be a vital financing tool and therefore an essential and important feature of our economic growth. Our present standard of living and our general economic development never could have been achieved without debt financing; that is the borrowing of money, and the sale of bonds and notes.

And I might add that the profits of the entrepreneur invested in equity capital could never have been realized, certainly to the degree that has happened in America, if it had not been for the leverage provided by the substantial part of the capitalization represented by evidences of debt.

There is no future for our country as a free society without long-term investment made possible by individual thrift, sound fixed debt obligations, efficient savings institutions and confidence in the dollar. I am proud to say that the life insurance companies are excellent thrift institutions. They provide protection and security for American families. And they are growth-oriented in the sense that they help to encourage, accumulate and channel individual savings into productive investment and thereby aid in America's growth. I am also proud of the fact that The Equitable is one of the industry's leaders both in size, in its efforts to encourage individual savings, and in its direction of these savings into productive enterprise throughout the land.

The success of our free enterprise system depends upon continuing growth while at the same time maintaining a reasonably stable price level. The maintenance of price stability is essential otherwise economic growth will not be sound and consequently will be both irregular and not long sustained.

Winfield Riefler, formerly Assistant to the Chairman of the Federal Reserve Board, recently has said:

"Inflation is the enemy of growth, particularly when there is public expectation that the purchasing power of money will continue to decline. Inflation impairs growth:

(1) Because it increases instability — high level of activity cannot be sustained for long when inflation is expected to prevail;

(2) Because it fosters the misallocation of capital and impairs the quality of the managerial and investment decisions on which growth is based;

(3) Because it distorts the saving - investment process and encourages overspeculation; and

(4) Because it undermines the country's position in international trade."

Rejects Inflation to Spur Growth

We also reject the contention that inflation is necessary to stimulate growth. Investment is the key to growth — investment within a framework of sound fiscal and monetary policy. We certainly are in a sorry state if it is generally believed that it is safer to speculate than to save! We believe the Federal budget should be balanced over the business cycle; the independence of the Federal Reserve Board should not be impaired, interest rates should be permitted to fluctuate freely, and the Treasury Department should be given a free hand in the management of the public debt.

Summary

Now to summarize briefly.

The points I have tried to establish are the following:

(1) Economic growth is a key issue of our time.

(2) We witness a great debate as to whether free enterprise or the Federal Government can best stimulate growth.

(3) The choice we make will determine whether our way of life as we have known it will continue or whether it is to be replaced by one of more governmental direction and control.

As responsible citizens our policy should be to urge that Federal spending be directed into growth-oriented channels and that non-growth expenditures such as for agriculture, veterans, and other subsidies be abolished or substantially curtailed. Especially needed is a reorientation of Federal tax policy to encourage savings and investment. If we aggressively eliminate road blocks and create a favorable business climate our free enterprise system will continue to produce growth. Over the years it has served us well. Let us make certain that we know where we are going before casting it aside.

*An address by Mr. Oates before the American Bar Association, Washington, D. C., Aug. 30, 1960.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Southwestern Public Service Company

Southwestern Public Service, with revenues of over $51 million, supplies electricity to a population estimated at 831,000 in adjacent areas of the Texas and Oklahoma Panhandle, Texas South Plains and New Mexico Pecos Valley. Amarillo and Lubbock, Texas, and Roswell, New Mexico, are the principal cities served. Industry in the area includes oil and gas producing (petroleum being an important factor), potash mining, food processing, chemicals, carbon black, etc. Originally the region was agricultural, and cattle, cotton, and grain are still important, with substantial irrigated acreage.

The company's electric revenues are about 32% residential and rural, 22% commercial, 31% industrial and 15% wholesale. It originally inherited from predecessor companies some gas, water and ice properties but these have all been sold or liquidated with one exception, making the business virtually all-electric.

Southwestern Public Service is a typical "growth utility." During the decade ending Aug. 31, 1959 revenues gained 183%, plant account 187%, kwh sales 214%, capability 204% and share earnings 137%. Revenues increased 11% in fiscal 1959 and kwh sales were up 13.3%. Rainfall in the area averaged about normal; but temperatures were slightly below normal which retarded irrigation and air conditioning sales, although they were well above the previous year. Construction activity continued at a record level, with building permits in the 16 principal cities served increasing about 46% compared with the previous 12 months period. Expansion programs were announced by the Air Force for each of its four installations served by the Company, and it was estimated that during fiscal 1960 some $25,000,000 would be spent on installations at these bases.

For the fiscal year just ended (Aug. 31, 1960) final data are not yet available but in the 12 months ended June 30 revenues gained over 10% and earnings for common stock were up 17%. With the heavy rainfall and the cool weather which prevailed during this period, kwh consumption in the irrigated sections declined slightly; however, the drop in irrigation revenues was offset by increased residential, commercial, and industrial sales. In June and July rainfall over the entire service area was the heaviest on record, averaging 11.2 inches in the 20 largest cities served. This above - average rainfall assured good crops during the current year both in the dry land farming and irrigated areas.

The company's 12th steam generating station was placed in service last June, raising capability to 926,000 kw. Peak load was 771,200 kw in 1959 and was expected to reach 831,000 kw in 1960. Construction expenditures approximated $17 million in fiscal 1959 and about $19 million in fiscal 1960; they are expected to average about $20 million per annum over the next four or five years.

Much of the company's senior financing has been handled privately with institutions. Last November the company negotiated the sale of $10 million bonds to two insurance companies and later arranged the sale of $5 million preferred stock to four insurance companies, bank loans being retired with the new funds. In earlier years of the postwar period common stock was sold early in each calendar year but since 1954 less equity financing has been done. Common was last sold in 1957 and no further sale is anticipated until fiscal 1962 when stock may be issued on a 1-for-20 rights basis, it is forecast.

The company is optimistic regarding continued growth. Residential and commercial sales promotion programs produced good results in fiscal 1959, with sales of electric ranges, clothes dryers, water heaters, and dishwashers exceeding the previous year by more than 7%. Sales of commercial cooking equipment exceeded 1958 sales by 29%, with the company having the third best sales record for companies of comparable size in the United States. It is pushing the construction of Medallion Homes and has some 300 heat pumps in its area despite the competition with gas.

The company is earning about 6.2% on net property, the rate of return having improved from 5.3% in 1954. It has recently adopted liberalized depreciation but tax savings are normalized.

Despite the company's rapid growth share earnings had a rather mediocre record of gains during the years 1949-54 but in the past five years earnings have shown an average gain of 7%. Fiscal 1960 earnings are expected to approximate $1.15 compared with 99¢ in fiscal 1959 (after adjustment for the 2-for-1 split earlier this year). Earnings for 1964 have been forecast at about $1.55, indicating an annual rate of gain of nearly 8% per annum.

Dividend payout is expected to continue around 70%. The dividend rate was increased for the 15th time in 18 years last March and another increase in fiscal 1961 would seem warranted by the current rise in earnings. About 19% of common stock dividends in fiscal 1959 were non - taxable and about 11% is estimated for fiscal 1960.

At the recent price around 28, the 84¢ dividend rate affords a yield of 3%. Based on estimated earnings of $1.15 the price-earnings ratio is 24.3.

Legion Wall St. Post Installs

Wall Street Post No. 1217 of the American Legion has installed Miss Polly Honl as Commander. The new Commander, a welfare worker and long active in the affairs of the Legion, is the first woman ever elected to head this 250 member Post.

In a ceremony known colloquially as "passing along the hat" Oliver J. Troster, Troster, Singer & Co., retiring commander presented to Miss Honl a new "Commander's" Legion cap. The presentation took place at Federal Hall Memorial Building at Wall and Nassau Streets.

Daniel Whitsel Opens

CHICAGO, Ill—D. C. Whitsel & Co. has been formed with offices at 29 South La Salle Street to engage in a securities business. Officers are Daniel C. Whitsel, President and Treasurer; and V. C. Whitsel, Secretary. Mr. Whitsel was formerly with Baker, Walsh & Co.

STATE OF TRADE AND INDUSTRY

Continued from page 5

probability of a price increase or a steel strike threat.

Inroads of other materials, long talked about in metalworking, are showing significant results.

Warehouses are fighting for business and have not stepped up their own mill buying to any great extent.

This Week's Steel Output Based On 52.7% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *93.6% of steel capacity for the week, beginning Sept. 12, equivalent to 1,503,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *87.2% and 1,401,000 tons in the week beginning Sept. 5.

Actual output for last week beginning Sept. 5, 1960 was equal to 49.2% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 52.7%.

A month ago the operating rate (based on 1947-49 weekly production) was *97% and production 1,558,000 tons. A year ago the actual weekly production was placed at 356,000 tons, or *22.2%. At that time the industry was virtually closed down due to a strike of the steel union.

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

Auto Industry Turned Out 6,011,688 1960 Models—A 3-Year High Exceeding 5,568,046 in 1959 and 4,260,039 in 1958

Dodge posted its highest production count in 10 years in the 1960 model run, *Ward's Automotive Reports* said.

Ward's said the Dodge Dart comprised 87.8% or 306,603 units of the 1960 Dodge total of 349,120.

All told, Chrysler Corp. amassed a 27.1% improvement over the 1959 run, recording the largest percentage gain among U. S. auto makers. Chrysler Corp. built 894,149 cars in 1960 compared with 703,744 in 1959.

Over-all, the auto industry turned out 6,011,688 1960 models—a three-year high—exceeding 5,568,046 in 1959 and 4,260,039 in 1958 model years, *Ward's* said.

The six compact cars accounted for 26.2% (1,574,468) of the 1960 industry total contrasted with 9.1% (505,748) in 1959 when only two compact makes were in the field.

Even with one less working day because of the Labor Day holiday, *Ward's* said car production in the week ended Sept. 10 climbed 7.3% over the previous week.

U. S. manufacturers built an estimated 55,119 cars compared with 51,390 last week and 24,364 in the same week last year.

Most plants worked four days. Only exceptions were the Ford Motor Co. compact car plants which operated Saturday, Sept. 10. Mercury's Wayne, Michigan plant wound up 1960 model production Sept. 6, Thunderbird concluded 1960 car operations at Wixom, Mich., on Sept. 9.

Meanwhile, inventories of new cars in dealers' hands and in transit dropped to 887,800 units on Sept. 1, *Ward's* said. The drop in new car stocks was 8.3% under the Aug. 20 level of 968,800 and 16.4% below the Aug. 1 stockpile of 1,062,000 units.

Freight Car Loadings for Sept. 3 Week Totaled 577,090 Cars or 5.3% Above Same 1959 Week

Loading of revenue freight for the week ended Sept. 3, 1960, totaled 577,090 cars, the Association of American Railroads announced. This was an increase of 29,284 cars or 5.3% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, and an increase of 13,365 cars or 2.4% above the corresponding week in 1958.

Loadings in the week of Sept. 3, which were affected by strike-bound operations on the Pennsylvania and Grand Trunk Western Railroads, were 17,630 cars or 3% below the preceding week.

There were 10,774 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Aug. 27, 1960 (which were included in that week's over-all total). This was an increase of 2,131 cars or 24.7% above the corresponding week of 1959 and 4,928 cars or 84.3% above the 1958 week.

Cumulative piggyback loadings for the first 34 weeks of 1960 totaled 359,288 for an increase of 93,429 cars or 35.1% above the corresponding period of 1959, and 191,410 cars or 114.0% 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 Was 0.4% Ahead of Corresponding Week of 1959

Intercity truck tonnage in the week ended Sept. 3, was fractionally ahead—or 0.4%—of the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was 6.8% more than that of the previous week of this year.

Several factors seemed to contribute to the improved tonnage reports for the week. Data from past years indicate that about half of the week-to-week gain can be attributed to seasonal factors. A number of eastern terminals were moving freight not normally handled due to the strike on the Pennsylvania Railroad system—the effect of this varied considerably among carriers.

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

Electric Output 8.4% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 10, was estimated at 14,216,000,000 kwh., according to the Edison Electric Institute. Output was 725,000,000 kwh. below that of the previous week's total of 14,941,000,000 kwh. but showed a gain of 1,107,000,000 kwh., or 8.4% above that of the comparable 1959 week.

Lumber Shipments for Week Ended Sept. 3rd Were 1.8% Below Production

Lumber shipments of 443 mills reporting to the National Lumber Trade Barometer were 1.8% below production during the week ended Sept. 3, 1960. In the same week, new orders of these mills were 7.5% below production. Unfilled orders of reporting mills amounted to 29% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 15 days' production at the current rate, and gross stocks were equivalent to 51 days' production.

For the year-to-date, shipments of reporting identical mills were 3.1% below production; new orders were 5.9% below production.

Compared with the previous week ended Aug. 27, 1960, production of reporting mills was 0.5% below; shipments were 5.8% below; new orders were 8.7% below. Compared with the corresponding week in 1959, production of reporting mills was 9.8% below; shipments were 5.7% below; and new orders were 2.5% below.

Business Failures Down Slightly in Holiday Week

Commercial and industrial failures declined slightly to 276 in the holiday week Sept. 8 from 288 in the preceding week, reported Dun & Bradstreet, Inc. Despite this dip, casualties exceeded noticeably the 222 occurring in the comparable week last year and the 256 in 1958. As well, failing businesses were almost a third more numerous than the pre-war toll of 209 in 1939.

All of the week's downturn centered in failures involving liabilities of $5,000 or more, which fell to 246 from 267 in the previous week but remained considerably above the 188 of this size a year ago. In contrast, small casualties with liabilities under $5,000 edged up to 30 from 21. Thirty-five of the concerns failing during the week had liabilities in excess of $100,000, up from 33 in the preceding week.

Wholesale Food Price Index Returns to 1960 High

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose to $5.98 on Sept. 6, the 1960 high, first hit on April 19, and then again on Aug. 2 and Aug. 9. During the week the index compared with $5.90 a week earlier, on Aug. 30, for an increase of 1.4%, and it was unchanged from the corresponding date a year ago.

Higher in wholesale cost this week were wheat, rye, oats, butter, cheese, coffee, tea, cocoa, eggs, potatoes, rice, steers, and hogs. On the down side were corn, barley, and lard.

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 Advances in Latest Week

There was a moderate rise this week in the general commodity price level, with higher prices on grains, lard, coffee, sugar, butter, hogs, and steers offsetting declines on rubber and tin. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 267.45 (1930-32=100) on Sept. 12, compared with 266.59 a week earlier and 277.90 on the corresponding date a year earlier.

Good domestic and export buying helped wheat prices advance somewhat from a week earlier. Rye prices rose appreciably as purchases moved up noticeably and supplies in some markets were light. Reports of dry weather in the Corn Belt stimulated trading in corn and prices turned moderately higher, arrivals of corn in Chicago were limited. Although transactions in oats were sluggish, prices edged up fractionally in line with corn. Expectations of some crop damage moderately encouraged trading in soybeans and prices rose appreciably.

Wholesale purchases of flour lagged during the week, but prices remained unchanged from the prior period, export volume in flour was sluggish. A noticeable pickup occurred in rice harvesting, trading moved up, but prices dipped somewhat. There was more strength in export markets, especially the Far East.

Supplies at sugar markets tightened up somewhat and prices moved slightly higher; sugar trading was steady. Coffee prices climbed slightly, despite continued dull trading. Volume in cocoa picked up at the end of the week helping prices rise moderately from a week earlier.

There was a marked rise in hog trading during the week and stocks in some markets were limited; prices were appreciably higher. Volume in steers expanded moderately and prices finished on the upside; salable receipts were down somewhat from a week earlier. Lamb trading was steady and prices were unchanged. In line with hog prices, prices on lard moved up somewhat.

Trading on the New York Cotton Exchange was irregular this week, but prices finished close to the prior period. United States exports of cotton in the week ended last Tuesday were estimated at 14,000 bales, compared with 7,000 a week earlier and 39,000 in the comparable period a year ago. For the current season through Sept. 6 exports amounted to about 278,000 bales, as against 138,000 in the comparable year ago period.

Retail Trade Close to Year Ago

Although the Labor Day holiday held consumer buying below that of the prior period in the week ended Wednesday, Sept. 7, overall retail trade matched the comparable strong 1959 week. Year-to-year gains in children's apparel, furniture, small electric housewares, linens, and draperies offset declines in men's and women's apparel, major appliances, and floor coverings. While scattered reports indicate that sales of new passenger cars remained close to last year, volume in used models was still down noticeably.

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

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 Sept. 3, 1960, show a decrease of 1% over the like period last year. In the preceding week for Aug. 27, an increase of 4% was reported. For the four weeks ended Sept. 3, a 2% rise was reported. The Jan. 1 to Sept. 3 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Sept. 3 were 1% above the like period last year. In the preceding week ended Aug. 27, sales were 11% above the same period last year. For the four weeks ending Sept. 3 a 9% increase was reported over the 1959 period, and from Jan. 1 to Sept. 3, there was a gain of 6% above the level achieved in the 1959 period.

Chicago Analysts Fall Outing

CHICAGO, Ill. — The Investment Analysts Society of Chicago will hold their fifth annual outing Oct. 6 at the Itasca Country Club. The day will be devoted to golf followed by a roast beef dinner. Tariff to be announced later.

Joins McCarley

GREENSBORO, N. C. — Richard F. Boyles has joined the Sales Department of McCarley & Company, Inc., Wachovia Bank Bldg.

With Laidlaw & Co.

(Special to The Financial Chronicle)

BOSTON, Mass. — Willard B. Simmons has been added to the staff of Laidlaw & Co., 19 Congress Street.

Rollins B'dcast Stock Offered

F. Eberstadt & Co. and associates offered for public sale on Sept. 14 99,500 shares of Rollins Broadcasting, Inc., common stock priced at $8 per share. Of the offering, 75,000 shares are being sold by the company and 24,500 shares by John Rollins, who has also agreed to sell privately to F. Eberstadt & Co. an additional 9,000 shares and 1,500 shares to an officer of the company at the public offering price.

The company, which was incorporated in 1948, will use the proceeds from the sale of its 75,000 shares for general corporate purposes, including the possible acquisition of additional businesses and properties.

Rollins and its wholly-owned subsidiaries own and operate six AM radio broadcasting stations and two VHF television stations. One of the radio stations, WNJR, serves the combined areas of Newark, N. J. and New York City. The remainder serve the areas of Harvey-Chicago (WBEE), Indianapolis (WGEE), Norfolk (WRAP), Wilmington (WAMS) and Georgetown (WJWL), Del.

One of the presently operated television stations, WPTZ-TV (affiliated with NBC and ABC), serves the combined areas of Plattsburg, N. Y., Burlington, Vt. and adjoining Canadian areas.

The other, WEAR-TV (affiliated with ABC), serves the combined areas of Pensacola, Fla., and Mobile, Ala.

On July 12, 1960 Rollins contracted to purchase for $2,598,000, subject to approval by the Federal Communications Commission, a combined VHF television station and AM radio broadcast station serving the areas of Charleston and Huntington, West Va.

In addition to its broadcasting operations, the company owns about 8,069 acres of ranch land in Okeechobee County, Fla.

For the year ended April 30, 1960 the company reported revenue of $3,761,011 and after-tax earnings of $374,513 plus a special credit of $406,136 from the sale of a radio station, compared with $2,673,223 and $268,810, respectively, for the 1959 fiscal year.

Capitalization at July 15, 1960, adjusted to give effect to the sale of the 75,000 shares, consisted of $1,577,256 of funded debt, 110,000 shares of common stock of $1 par and 815,000 shares of class B common stock of $1 par. Shares retained by O. Wayne Rollins, the President, and John Rollins, the selling stockholder, will represent 64.9% and 23.2%, respectively, of the company's common stock equity.

Geo. Fogg Co. Has Admitted Goldthwaite

BOSTON, Mass.—Clyde M. Goldthwaite has been admitted to partnership in George P. Fogg & Co., 201 Devonshire Street. Other partners are George P. Fogg, Jr. and David C. Fogg.

Heller & Meyer To Admit Merolla

EAST ORANGE, N. J.—Heller & Meyer, 520 Main Street, members of the New York Stock Exchange, on Oct. 1 will admit Patrick F. Merolla to partnership.

With J. A. Hogle

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Roy C. Kaifer has been added to the staff of J. A. Hogle & Co., 507 West Sixth Street. He was previously with Holton, Henderson & Co.

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)	Sept. 17	§52.7	*49.2	54.7	12.6
Equivalent to—					
Steel ingots and castings (net tons)	Sept. 17	§1,503,000	*1,401,000	1,558,000	356,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Sept. 2	6,823,860	6,846,310	6,836,710	6,784,625
Crude runs to stills—daily average (bbls.)	Sept. 2	¶8,294,000	8,172,000	8,254,000	8,132,000
Gasoline output (bbls.)	Sept. 2	29,200,000	29,487,000	29,040,000	29,450,000
Kerosene output (bbls.)	Sept. 2	2,701,000	2,746,000	2,492,000	1,932,000
Distillate fuel oil output (bbls.)	Sept. 2	12,774,000	12,733,000	12,873,000	12,673,000
Residual fuel oil output (bbls.)	Sept. 2	6,027,000	6,252,000	5,805,000	6,373,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Sept. 2	188,665,000	190,680,000	193,647,000	181,509,000
Kerosene (bbls.) at	Sept. 2	33,834,000	32,327,000	30,702,000	31,354,000
Distillate fuel oil (bbls.) at	Sept. 2	153,023,000	148,966,000	134,049,000	163,198,000
Residual fuel oil (bbls.) at	Sept. 2	47,297,000	45,309,000	43,014,000	57,507,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Sept. 3	577,090	594,770	594,329	547,806
Revenue freight received from connections (no. of cars)	Sept. 3	490,884	486,610	487,558	502,859
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Sept. 8	$427,200,000	$604,000,000	$435,500,000	$338,800,000
Private construction	Sept. 8	243,600,000	367,200,000	273,200,000	228,800,000
Public construction	Sept. 8	183,600,000	236,800,000	162,300,000	110,000,000
State and municipal	Sept. 8	121,200.000	203,400,000	131,700,000	99,300,000
Federal	Sept. 8	62,400,000	33,400,000	30,600,000	10,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Sept 3	7,590,000	7,790,000	7,790,000	7,345,000
Pennsylvania anthracite (tons)	Sept. 3	376,000	362,000	343,000	451,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Sept. 3	146	144	128	148
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sept. 10	14,216,000	14,941,000	14,622,000	13,109,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Sept. 8	276	288	308	222
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sept. 6	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Sept. 3	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Sept. 6	$32.50	$32.50	$31.83	$41.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Sept. 7	32.600c	32.600c	32.600c	30.550c
Export refinery at	Sept. 7	28.675c	29.000c	30.525c	28.750c
Lead (New York) at	Sept. 7	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Sept. 7	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Sept. 7	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Sept. 7	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	Sept. 7	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Sept. 7	102.250c	102.125c	104.250c	102.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sept. 13	88.85	88.52	89.19	81.13
Average corporate	Sept. 13	87.86	87.99	87.18	84.54
Aaa	Sept. 13	92.35	92.64	91.91	88.81
Aa	Sept. 13	90.06	90.06	89.51	86.65
A	Sept. 13	87.18	87.45	86.51	84.30
Baa	Sept. 13	82.52	82.40	81.17	80.32
Railroad Group	Sept. 13	84.94	85.20	84.43	84.17
Public Utilities Group	Sept. 13	89.37	89.51	88.27	83.91
Industrials Group	Sept. 13	89.51	89.51	88.81	86.65
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sept. 13	3.65	3.69	3.61	4.39
Average corporate	Sept. 13	4.57	4.56	4.62	4.79
Aaa	Sept. 13	4.25	4.23	4.28	4.50
Aa	Sept. 13	4.41	4.41	4.45	4.66
A	Sept. 13	4.62	4.60	4.67	4.84
Baa	Sept. 13	4.98	4.99	5.09	5.16
Railroad Group	Sept. 13	4.79	4.77	4.83	4.85
Public Utilities Group	Sept. 13	4.46	4.45	4.54	4.87
Industrials Group	Sept. 13	4.45	4.45	4.50	4.66
MOODY'S COMMODITY INDEX	Sept. 13	361.9	362.7	365.4	384.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Sept. 3	312,762	318,170	340,650	374,535
Production (tons)	Sept. 3	326,644	313,476	320,464	335,940
Percentage of activity	Sept. 3	94	92	94	97
Unfilled orders (tons) at end of period	Sept. 3	418,445	430,767	477,251	550,083
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE=100	Sept. 9	109.77	109.68	109.72	110.20
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Aug. 19	2,140,240	2,243,020	1,990,120	1,870,510
Short sales	Aug. 19	391,010	434,870	312,890	285,360
Other sales	Aug. 19	1,695,920	1,978,140	1,650,590	1,673,550
Total sales	Aug. 19	2,086,930	2,413,010	1,963,480	1,958,910
Other transactions initiated off the floor—					
Total purchases	Aug. 19	393,960	430,400	254,420	251,800
Short sales	Aug. 19	50,500	72,320	17,700	37,200
Other sales	Aug. 19	308,500	380,950	234,620	207,020
Total sales	Aug. 19	359,000	453,270	252,320	244,220
Other transactions initiated on the floor—					
Total purchases	Aug. 19	604,095	651,562	519,220	542,103
Short sales	Aug. 19	91,480	112,340	85,300	93,090
Other sales	Aug. 19	653,115	594,465	495,750	624,806
Total sales	Aug. 19	744,595	706,805	581,050	717,898
Total round-lot transactions for account of members—					
Total purchases	Aug. 19	3,138,295	3,324,982	2,763,760	2,664,413
Short sales	Aug. 19	532,990	619,530	415,890	415,650
Other sales	Aug. 19	2,657,535	2,953,555	2,380,960	2,505,378
Total sales	Aug. 19	3,190,525	3,573,085	2,796,850	2,921,028
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	Aug. 19	1,488,187	1,576,133	1,485,488	1,455,720
Dollar value	Aug. 19	$72,799,692	$74,089,379	$72,910,673	$74,056,085
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Aug. 19	1,426,451	1,432,153	1,316,374	1,217,254
Customers' short sales	Aug. 19	8,678	12,649	8,432	10,294
Customers' other sales	Aug. 19	1,417,773	1,419,504	1,307,942	1,206,960
Dollar value	Aug. 19	$66,665,560	$66,596,684	$63,256,848	$61,000,891
Round-lot sales by dealers—					
Number of shares—Total sales	Aug. 19	419,590	446,890	355,920	314,340
Short sales	Aug. 19	------	------	------	------
Other sales	Aug. 19	419,590	446,890	355,920	314,340
Round-lot purchases by dealers—Number of shares	Aug. 19	498,320	597,680	527,010	554,830
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	Aug. 19	669,760	779,530	517,110	507,660
Other sales	Aug. 19	13,478,450	14,345,700	12,520,170	11,623,260
Total sales	Aug. 19	14,148,210	15,125,230	13,037,280	12,130,920
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Sept. 6	119.4	119.3	119.4	119.4
Farm products	Sept. 6	87.4	86.3	87.1	88.1
Processed foods	Sept. 6	107.5	107.8	107.8	107.1
Meats	Sept. 6	94.7	94.9	96.6	98.6
All commodities other than farm and foods	Sept. 6	128.3	128.4	128.3	128.3

*Revised figure. ¶Includes 1,022,000 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
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of July:			
Manufacturing number	173	228	203
Wholesale number	106	110	113
Retail number	573	680	518
Construction number	192	213	137
Commercial service number	102	103	100
Total number	1,146	1,334	1,071
Manufacturing liabilities	$21,080,000	$41,111,000	$14,592,000
Wholesale liabilities	5,116,000	15,632,000	5,078,000
Retail liabilities	20,470,000	28,497,000	17,052,000
Construction liabilities	11,073,000	18,613,000	11,328,000
Commercial service liabilities	3,993,000	22,597,000	3,147,000
Total liabilities	$61,732,000	$126,450,000	$51,197,000
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of July (Millions of dollars):			
Manufacturing	$54,300	*$54,800	$51,800
Wholesale	12,900	*12,900	12,400
Retail	25,100	25,300	24,600
Total	$92,300	$93,100	$88,800
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD — Month of August (000's omitted):			
Total U. S. construction	$1,859,000	$2,005,000	$1,495,000
Private construction	965.000	1,081,000	777,700
Public construction	894,000	924,000	717,300
State and municipal	726,000	731,000	540,600
Federal	168,000	193,000	176,700
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of July 31.			
Total consumer credit	$53,653	$53,497	$48,047
Instalment credit	41,687	41,362	36,757
Automobile	17,946	17,807	15,923
Other consumer goods	10,202	10,194	9,134
Repairs and modernization loans	2,852	2,824	2,517
Personal loans	10,687	10,537	9,183
Noninstallment credit	11,966	12,135	11,290
Single payment loans	4,290	4,321	3,954
Charge accounts	4,506	4,628	4,407
Service credit	3,170	3,186	2,929
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of July:			
Weekly earnings—			
All manufacturing	$91.14	$91.60	$89.15
Durable goods	97.84	*98.98	96.80
Nondurable goods	81.95	82.16	80.00
Hours—			
All manufacturing	39.8	40.0	40.2
Durable goods	40.1	40.4	40.5
Nondurable goods	39.4	39.5	39.8
Hourly earnings—			
All manufacturing	$2.29	$2.29	$2.23
Durable goods	2.44	*2.45	2.39
Nondurable goods	2.08	2.08	2.01
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of August:			
Industrials (125)	3.41	3.49	2.96
Railroads (25)	5.72	5.75	4.59
Utilities (not incl. Amer. Tel. & Tel.) (214)	3.64	3.77	3.89
Banks (15)	4.00	4.04	3.57
Insurance (10)	2.87	2.93	2.74
Average (200)	3.50	3.60	3.19
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of July (in billions):			
Total personal income	$407.1	*$406.1	$386.9
Wage and salary receipts, total	274.6	*274.0	261.5
Commodity producing industries	112.6	*112.9	109.3
Manufacturing only	88.5	*89.2	86.9
Distributing industries	72.1	72.2	69.0
Service industries	41.3	41.1	37.8
Government	48.6	*47.8	45.4
Other labor income	11.0	11.0	10.2
Business and professional	36.3	*36.2	35.1
Farm	12.2	12.5	12.1
Rental income of persons	12.5	12.5	12.4
Dividends	13.9	13.9	13.4
Personal interest income	27.1	26.8	23.5
Transfer payments	28.8	28.5	26.5
Less employees' contribution for social insurance	9.3	9.3	7.9
Total nonagricultural income	390.7	*389.3	371.0
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100—As of July 15:			
All farm products	238	236	241
Crops	226	221	226
Commercial vegetables, fresh	247	223	211
Cotton	265	251	289
Feed, grains and hay	156	158	161
Food grains	194	199	199
Fruit	235	239	206
Oil-bearing crops	213	216	222
Potatoes	239	203	232
Tobacco	493	494	508
Livestock	249	248	253
Dairy products	244	234	242
Meat animals	302	305	316
Poultry and eggs	148	148	140
Wool	240	248	248
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of July (000's omitted):			
Exports	$1,699,200	*$1,738,100	$1,467,800
Imports	1,119,000	*1,313,000	1,248,300
U. S. GOVT. STATUTORY DEBT LIMITATION —As of August 31 (000's omitted):			
Total face amount that may be outstanding at any time	$293,000,000	$293,000,000	$295,000,000
Outstanding—			
Total gross public debt	288,672,218	288,333,271	290,395,608
Guaranteed obligations not owned by the Treasury	156,859	134,189	110,781
Total gross public debt and guaranteed obligations	$288,829,078	$288,472,460	$290,506,390
Deduct—Other outstanding public debt obligations not subject to debt limitation	404,188	404,548	415,874
Grand total outstanding	$288,424,890	$288,067,911	$290,090,515
Balance face amount of obligations issuable under above authority	4,575,109	4,932,088	4,909,484
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of August 31	$288,829,078	$288,472,460	$290,506,390
General funds balance	5,894,294	6,988,292	6,617,473
Net debt	$282,934,784	$281,484,168	$283,888,917
Computed annual rate	3.179%	3.260%	3.072%

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.

Adler Built Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For acquisition and development of land and operating capital. **Office**—1201 W. 66th St., Hialeah, Fla. **Underwriter** — American Diversified Securities, Inc., Washington, D. C.

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. (9/19-23)**
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).

Aldens Inc. (9/30)
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 with rights to expire on Oct. 17. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Lehman Brothers, New York City.

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.

● **Aluminum Insulating Co., Inc. (9/27)**
Aug. 22, 1960 (letter of notification) 225,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For retirement of a bank loan, selling, advertising, promotion and for working capital. **Office**—558 W. 18th St., Hialeah, Fla. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

★ **Amacorp Industrial Leasing Co., Inc. (10/17-21)**
Sept. 9, 1960 filed 170,000 shares of common stock (no par), of which 40,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder, and 130,000 shares will be offered for the account of the issuing company. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business**—The financing of industrial and office equipment through the purchase and leasing of such property to its customers. **Office**—Alhambra, Calif. **Underwriter**—McDonnell & Co., New York City (managing).

● **American Foods Inc.**
Aug. 16, 1960 filed 167,000 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. **Offering**—Expected sometime in October.

Continued on page 33

NEW ISSUE CALENDAR

September 16 (Friday)

Del Electronics Corp.____Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000

Nucleonic Corp. of America____Common
(Bertner Bros. and Earl Edden Co.) $300,000

Safticraft Corp.____Common
(George, O'Neill & Co., Inc.) $825,000

Spray-Bilt, Inc.____Common
(J. I. Magaril Co. and Sandkuhl & Company Inc.) $250,000

September 19 (Monday)

Ajax Magnethermic Corp.____Common
(Hayden, Stone & Co.) 150,000 shares

Astrex Corp.____Common
(Clayton Securities Corp. and Maltz, Greenwald & Co.) $400,000

Avionics Investing Corp.____Capital
(S. D. Fuller & Co.) $4,000,000

Duncan Coffee Co.____Capital
(Bear, Stearns & Co.) 260,000 shares

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

Fairmount Finance Co.____Common
(J. T. Patterson & Co., Inc.) $290,000

Foto-Video Electronics Corp.____Class B
(Fund Planning, Inc.) $500,000

International Safflower Corp.____Common
(Copley & Co.) $300,000

Lytton Financial Corp.____Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 354,000 shares

Missouri Pacific RR.____Equip. Trust Ctfs.
(Bids 1:00 p.m.) $3,975,000

Philippine Oil Development Co., Inc.____Capital
(Offering to stockholders—No underwriting) 103,452,615 shares

Rainier Co., Inc.____Common
(Richard Bruce & Co.) $300,000

Reva Enterprises, Inc.____Common
(Blair & Co., Inc. and Chace, Whiteside & Winslow, Inc.) 200,000 shares

Sealed Air Corp.____Common
(Bertner Bros. and Earl Edden Co.) $100,000

Softol, Inc.____Common
(Harwyn Securities, Inc.) $300,000

Stamford Chemical Industries, Inc.____Common
(G. H. Walker & Co.) $280,000

Trav-ler Radio Corp.____Debentures
(Lee Higginson Corp. and Straus, Blosser & McDowell) $2,200,000

Triangle Business Machine, Inc.____Common
(Holton, Henderson & Co.) $200,000

Triangle Lumber Corp.____Common
(Bear, Stearns & Co.) $1,102,400

Wallace Press, Inc.____Common
(Shearson, Hammill & Co. and William Tegtmeyer & Co.) 184,435 shares

September 20 (Tuesday)

Hallicrafters Co.____Capital
(Paine, Webber, Jackson & Curtis) 300,000 shares

Missouri Public Service Co.____Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co.) 258,558 shares

Pioneer Finance Co.____Cumulative Preferred
(White, Weld & Co. and Watling, Lerchen & Co.) 125,000 shs.

Public Service Electric & Gas Co.____Bonds
(Bids 11:00 a.m.) $50,000,000

Resiflex Laboratory, Inc.____Common
(Blunt Ellis & Simmons) 100,000 shares

Sachar Properties, Inc.____Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $600,000

Technical Measurement Corp.____Common
(Pistell, Crow, Inc.) $600,000

Whitmoyer Laboratories, Inc.____Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc.____Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

September 21 (Wednesday)

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

Pacific Power & Light Co.____Bonds
(Bids noon) $20,000,000

Rochester Telephone Co.____Bonds
(1:00 p.m. N. Y. time) $12,000,000

Roto American Corp.____Common
(Morris Cohon & Co.) 75,000 shares

September 22 (Thursday)

Sabre Craft Boat Co.____Common
(R. A. Holman & Co., Inc.) $273,250

Union Electric Co.____Bonds
(Bids 11 a.m. EDT) $50,000,000

September 26 (Monday)

Admiral Homes, Inc.____Convertible Debentures
(Arthurs, Lestrange & Co.) $400,000

American Title Insurance Co.____Common
(A. C. Allyn & Co., Inc. and Bache & Co.) 301,884 shares

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

Brothers Chemical Co.____Common
(Sandkuhl & Company, Inc.) $300,000

Ennis Business Forms, Inc.____Common
(Kidder, Peabody & Co.) 74,546 shares

Federated Electronics, Inc.____Common
(J. B. Coburn Associates, Inc.) $300,000

Four Star Television____Capital
(Dempsey-Tegeler & Co.) 120,000 shares

Heldor Electronics Manufacturing Corp.____Com.
(S. Schramm & Co., Inc.) $300,000

Indian Head Mills, Inc.____Common
(Blair & Co. and F. S. Smithers & Co.) 60,000 shares

Klondex Inc.____Class A
(Schrijver & Co.) $298,000

Lence Lanes, Inc.____Common
(Marron, Sloss & Co., Inc.) $1,050,000

Milgo Electronic Corp.____Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co.) 65,000 shares

National Capital Corp.____Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

Portland Turf Association____Bonds
(General Investing Corp.) $300,000

Russell Stover Candies, Inc.____Common
(Harriman Ripley & Co., Inc. and Stern Brothers) 200,000 shrs.

Syntex Corp.____Common
(Allen & Co.) 100,000 shares

Telephone & Electronics Corp.____Common
(Equity Securities Co.) $264,900

Tele-Tronics Co.____Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Timely Clothes, Inc.____Conv. Debentures
(Cartwright & Parmalee) $840,000

September 27 (Tuesday)

Aluminum Insulating Co., Inc.____Common
(R. A. Holman & Co., Inc.) $225,000

Indianapolis Power & Light Co.____Bonds
(11:00 a. m. N. Y. Time) $12,000,000

Oil Recovery Corp.____Conv. Debentures
(Lehman Brothers and Allen & Co.) $1,600,000

Polytronics Laboratories, Inc.____Class A
(R. A. Holman & Co., Inc.) $150,000

Southern Pacific Co.____Equip. Trust Ctfs.
(Bids noon) $7,500,000

September 28 (Wednesday)

Australia (Commonwealth of)____Bonds
(Morgan Stanley & Co.) $25,000,000

New York Telephone Co.____Bonds
(Bids 11:00 a.m.) $60,000,000

Perfect Photo, Inc.____Convertible Debentures
(Harriman Ripley & Co., Inc.) $4,500,000

September 29 (Thursday)

Continental Can Co., Inc.____Debentures
(Goldman, Sachs & Co. and Lehman Bros.) $30,000,000

September 30 (Friday)

Aldens Inc.____Convertible Debentures
(Offering to stockholders—underwritten by Lehman Bros.) $6,205,000

East Central Racing & Breeders Association Inc.____Units
(No underwriting) $700,000

Lifetime Pools Equipment Corp.____Common
(First Pennington Corp.) 100,000 shares

Mohawk Insurance Co.____Common
(R. F. Dowd & Co., Inc.) $900,000

Puritron Corp.____Common
(Bache & Co.) 250,000 shares

October 3 (Monday)

American Recreation Centers, Inc.____Debentures
(York & Co.) $600,000

American Recreation Centers, Inc.____Capital
(York & Co.) 60,000 shares

Cornet Stores____Common
(Kidder, Peabody & Co.) 150,000 shares

Cyclomatics, Inc.____Common
(General Securities Co.) $250,000

Dalto Corp.____Common
(No underwriting) 134,739 shares

Florida Hillsboro Corp.____Units
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) $1,150,000

Louisiana Gas Service Co.____Common
(No underwriting) 670,000 shares

Pik-Quik, Inc.____Common
(A. C. Allyn & Co., Inc.) 550,000 shares

Radio Shack Corp.____Common
(Granbery, Marache & Co.) 200,000 shares

Standard Instrument Corp.____Common
(Havener Securities Corp.) 50,000 shares

Techni Electronics, Inc.____Common
(United Planning Corp.) $225,000

Technical Materiel Corp.____Common
(Kidder, Peabody & Co.) 120,000 shares

Temperature Engineering Corp.____Common
(M. L. Lee & Co., Inc.; Milton D. Blauner & Co., Inc. and F. L. Salomon & Co.) $472,500

Willer Color Television System, Inc.____Common
(Equity Securities Co.) $242,670

October 4 (Tuesday)

Gulton Industries, Inc.____Common
(Lehman Brothers and G. H. Walker & Co.) 100,000 shares

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

Valdale Co., Inc.____Common
(B. N. Rubin & Co. and H. S. Simmons & Co.) $300,000

October 5 (Wednesday)

Intercoast Companies, Inc.____Common
(Schwabacher & Co.) 110,000 shares

October 6 (Thursday)
Columbia Gas System, Inc.____________Debentures
(Bids 11:00 a.m.) $30,000,000

October 7 (Friday)
Minitronics, Inc.____________________Common
(David Barnes & Co., Inc.) $300,000

October 10 (Monday)
Bowling Investments, Inc.______________Common
(Copley & Co.) $300,000

October 11 (Tuesday)
Daffin Corp. ________________________Common
(Lehman Bros. and Piper, Jaffray & Hopwood) 150,000 shares
Still-Man Manufacturing Corp.__________Class A
(Francis I. duPont & Co.) 150,000 shares

October 17 (Monday)
Amacorp Industrial Leasing Co., Inc._____Common
(McDonnell & Co., Inc.) 170,000 shares
American Income Life Insurance Co.______Common
(Offering to stockholders — underwritten by Ladenburg, Thalmann & Co. and Lee Higginson Corp.) 90,174 shares
Automatic Canteen Co. of America______Common
(Glore, Forgan & Co.) 524,000 shares
Bzura Chemical Co., Inc._______________Common
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) 450,000 shares
Detroiter Mobile Homes, Inc.____________Common
(Hornblower & Weeks) 250,000 shares
Dewey (G. C.) Corp.___________________Common
(No underwriting) 64,500 shares
Dorsey Corp. ________________________Debentures
(Blair & Co., Inc.) $3,500,000
Dorsey Corp. ________________________Common
(Blair & Co., Inc.) 350,000 shares
Electro-Science Investors, Inc.___________Common
(Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc.) 772,000 shares
Interstate Vending Co.__________________Common
(Bear, Stearns & Co.) 235,000 shares
Nixon-Baldwin Chemicals, Inc.______________Units
(Lee Higginson Corp. and P. W. Brooks & Co., Inc.) $4,000,000
Welded Tube Co. of America_____________Common
(H. Hentz & Co.) $840,000

October 18 (Tuesday)
Daystrom, Inc. _______________________Debentures
(Goldman, Sachs & Co. and R. W. Pressprich & Co.) $10,000,000
Louisville Gas & Electric Co.________________Bonds
(Bids to be invited) $16,000,000

October 19 (Wednesday)
Pacific Lighting Gas Supply Co.______Debentures
(Bids 8:30 a.m. California time) $25,000,000

October 20 (Thursday)
Florida Power Co._______________________Bonds
(Bids to be received) $25,000,000
Green Shoe Manufacturing Co.____________Common
(Paine, Webber, Jackson & Curtis and F. S. Moseley & Co.) 420,000 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

October 24 (Monday)
Horizon Land Corp.______________________Units
(Ross, Lyon & Co., Inc.) $1,500,000
Williamsburg Greetings Corp.____________Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $1,080,000

October 25 (Tuesday)
American Telephone & Telegraph Co.__Debentures
(Bids to be received) $250,000,000

October 31 (Monday)
United Gas Corp. _________________________Bonds
(Bids to be received) $30,000,000
United Gas Corp. ___________________Debentures
(Bids to be received) $30,000,000

November 1 (Tuesday)
Gay (Connie B.) Broadcasting Corp._____Common
(Hill, Darlington & Co.) 130,000 shares
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 8 (Tuesday)
Palm Developers Limited_______________Common
(David Barnes & Co., Inc.) $300,000

November 15 (Tuesday)
Idaho Power Co.__________________________Bonds
(Bids to be received) $15,000,000
New Jersey Bell Telephone Co._________Debentures
(Bids to be received) $20,000,000
Public Service Co. of New Hampshire______Bonds
(Bids to be received) $6,000,000

November 16 (Wednesday)
Merrimack Essex Electric Co.___________Preferred
(Bids to be received) $7,500,000

November 22 (Tuesday)
Consolidated Edison Co. of New York______Bonds
(Bids to be received) $75,000,000

December 6 (Tuesday)
Northern States Power Co. (Minn.)________Bonds
(Bids to be invited) $35,000,000

December 12 (Monday)
Consumers Power Co.______________________Bonds
(Bids 11:30 a.m. EST) $35,000,000

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● **American Income Life Insurance Co. (10/17-21)**
Aug. 26, 1960 filed 90,174 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each 5⅓ shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—5th and Franklin, Waco, Texas. **Underwriters**—Ladenburg, Thalmann & Co. and Lee Higginson Corp., both of New York City (managing). **Note**—This stock is not qualified for sale in New York.

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 Optical Co.
Aug. 31, 1960 filed $8,000,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Southbridge, Mass. **Underwriter**—Kuhn, Loeb & Co., New York City (managing). **Offering**—Expected in mid-to-late October.

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. (10/3-15)
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. (9/26-30)
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.

● **Arnoux Corp. (9/26-30)**
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. (9/19-23)**
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.
Aug. 9, 1960, filed 109,186 shares of common stock (par $10), being offered to holders of the outstanding common of record Sept. 1 on the basis of one new share for each 10 shares then held with an oversubscription privilege. 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.

★ **Australia (Commonwealth of) (9/28)**
Sept. 8, 1960, filed $25,000,000 of 20-year bonds. **Price**—To be supplied by amendment. **Proceeds** — To finance public works projects in Australia. **Underwriter**—Morgan Stanley & Co., New York City (managing).

● **Automatic Canteen Co. of America (10/17)**
Sept. 1, 1960 filed 524,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—be supplied by amendment. **Proceeds**—$9,500,000 to pay for the acquisition of Commercial Discount Corp., with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

★ **Automatic Radio Mfg. Co., Inc.**
Sept. 9, 1960, filed 623,750 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuing company and 473,750 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The firm makes and sells car and portable radios. **Proceeds**—For expansion, working capital, and possible acquisitions. **Office**—122 Brookline Ave., Boston, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Expected in late October.

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. (9/19)**
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).

Bowling Investments Inc. (10/10-14)
Aug. 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—For purchase of real estate, construction of a bowling building, purchase or lease of equipment and restaurant equipment. **Office**—1747 E. 2nd St., Casper, Wyo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

● **Bridgeport Gas Co.**
Sept. 2, 1960 filed 50,000 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each six shares held. **Price**—$27.50 per share. **Proceeds**—To be applied to the payment of bank loans incurred for property additions which are expected to approximate $1,800,000 in 1960. **Office**—815 Main St., Bridgeport, Conn. **Underwriter**—None. **Offering**—Expected in mid-October.

● **Bristol Dynamics, Inc.**
June 28, 1960, filed 124,000 shares of common stock, of which 69,000 shares are to be offered for public sale for the account of the issuing company and 55,000 shares, being outstanding stock, by the present holders thereof. **Price**—$6 per share. **Proceeds**—$100,000 for expansion and further modernization of the company's plants and

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equipment; $100,000 for research and development of new products; and the balance (about $123,000) for working capital and other corporate purposes. **Office**—219 Alabama Ave., Brooklyn, N. Y. **Business**—Designing, engineering, manufacturing, producing, and selling electrical and mechanical assemblies, electronic and missile hardware components and special tools and fabrications. **Underwriter** — William David & Co., Inc., New York. **Offering**—Expected in late September.

● Brothers Chemical Co. (9/26-30)
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. **Underwriters**—Sandkuhl & Company, Inc., Newark, N. J. and New York City and J. I. Magaril & Co., and Lloyd Haas Co., both of New York City.

● Bruce National Enterprises, Inc. (9/21)
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.

Bryn Mawr Trust Co.
The Bank is offering 7,360 shares of capital stock (exempt from SEC registration) to holders of the outstanding shares of such stock of record Aug. 30, 1960, on the basis of one new share for each 15 shares then held. Rights expire Sept. 27, 1960. **Price**—$36 per share. **Proceeds**—To increase capital funds. **Office**—Bryn Mawr, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia 9, Pa.

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.

● Bzura Chemical Co., Inc. (10/17-21)
Aug. 25, 1960 filed 450,000 shares of common stock (par 25 cents), an undetermined number of which will be offered for the account of the issuing company, with the remainder to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company makes and sells citric acid. **Proceeds** — To expand the capacity of the parent company, Bzura, Inc., for the manufacture of fumaric acid, and to enable it to produce itaconic acid, with the balance for working capital. **Office**—Broadway & Clark Streets, Keyport, N. J. **Underwriters**—P. W. Brooks & Co., Inc., and Lee Higginson Corp., both of New York City (managing).

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.

Carco Industries, Inc.
Aug. 25, 1960 filed 150,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The manufacture, assembly, sale, and installation of various metal products. **Proceeds**—For general corporate purposes, including payment of taxes, plant and equipment, and working capital. **Office** — 7341 Tulip St., Philadelphia, Pa. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Expected sometime in October.

★ Carhart Photo, Inc.
Sept. 7, 1960 (letter of notification) 150,000 shares of Class A preferred stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—105 College Ave., Rochester, N. Y. **Underwriter**—Doolittle & Co., Buffalo, N. Y.

★ Caruso Foods, Inc.
Sept. 2, 1960 (letter of notification) 150,000 shares of common stock (par three cents). **Price** — $2 per share. **Business**—Food processing. **Proceeds**—For general corporate purposes. **Office**—2891-99 Nostrand Ave., Brooklyn, N. Y. **Underwriter** — Searight, Ahalt & O'Connor, Inc., New York, N. Y.

● Cavitron Corp.
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None. **Offering**—Expected in mid-October.

Chemtronic Corp.
Sept. 2, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company makes and sells miniature electrolytic capacitors. **Proceeds**—For general corporate purposes, including the repayment of bank loans and the addition of technical personnel. **Office**—309 11th Ave., South, Nashville, Tenn. **Underwriter**—Jay W. Kaufmann & Co., New York City. **Offering**—Expected in early November.

Cinestat Advertising Corp.
Aug. 26, 1960 filed 15,000 shares of class B capital stock. **Price**—$100 per share. **Business**—The firm sells advertising and display devices. **Proceeds**—For starting the business. **Office**—30 West Monroe St., Chicago, Ill. **Underwriter**—None.

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).

Columbia Gas System, Inc. (10/6)
Aug. 26, 1960 filed $30,000,000 of debentures, series O, due 1985. **Proceeds**—For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Inc 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 up to 11:00 a.m. N. Y. Time. **Information**—During business hours on Oct. 3 at 120 East 41st Street, New York City.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

● Commonwealth 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. **Offering**—Imminent.

Commonwealth Telephone Co. (Pa.)
Aug. 25, 1960 filed 42,960 shares of common stock (par $10) to be offered to the holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Proceeds**—To reduce amount of outstanding bank loans. **Office**—Dallas, Pa. **Underwriter**—Eastman, Dillon, Union Securities & Co., New York City (managing).

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.

Continental Can Co., Inc. (9/29)
Aug. 31, 1960 filed $30,000,000 of debentures, due Oct. 1, 1985. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—100 E. 42nd St., New York City. **Underwriters**—Goldman, Sachs & Co., and Lehman Brothers (managing).

Coral Aggregates Corp.
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa. **Offering**—Expected in mid-October.

Cornet Stores (10/3-7)
Aug. 26, 1960 filed 150,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company operates a chain of 125 retail variety stores in five mainland western states and Hawaii. **Proceeds**—$1,100,000 will be used to repay short-term indebtedness, with the balance for general corporate purposes. **Office**—411 So. Arroyo Parkway, Pasadena, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

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.

● Cyclomatics, Inc. (10/3-7)
Aug. 31, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Motorized and automatic health equipment. **Proceeds** — For inventory and working capital. **Office**—Astoria, L. I., N. Y. **Underwriter**—General Securities Co., 101 W. 57th St., N. Y. 19, N. Y.

Daffin Corp. (10/11)
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. (10/3-7)
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.

★ Davega Stores Corp.
Sept. 7, 1960, filed $1,500,000 of 6% convertible subordinated debentures, due 1975, to be offered to holders of its common stock pursuant to preemptive rights. **Price**—$100 per debenture. **Business**—The company operates a chain of 29 retail stores in the metropolitan New York areas in which it sells various electrical appliances and sporting goods and apparel. **Proceeds**—For general corporate purposes, including fixtures and inventory for two new retail discount centers. **Office** — 215 Fourth Ave., New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

★ Daystrom, Inc. (10/18)
Sept. 14, 1960 filed $10,000,000 of sinking fund debentures, due Oct. 1, 1980. **Price**—To be supplied by amendment. **Business** — The company manufactures electrical and electronic products. **Proceeds**—For working capital, debt reduction, and plant and equipment. **Office**—Murray Hill, N. J. **Underwriters**—Goldman, Sachs & Co. and R. W. Pressprich & Co., both of New York City (managing).

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. (9/16)
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.
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 **Offering**—Expected in early October.

Detroiter Mobile Homes, Inc. (10/17-21)
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).

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.

● (G. C.) Dewey Corp. (10/17-21)
Aug. 25, 1960 filed 64,500 shares of outstanding common stock (par one cent). **Price**—To be supplied by amendment. **Business** — Missile and electronics research and development work for the Government. **Proceeds** — To selling stockholders. **Office**—202 E. 44th St., New York City. **Underwriter**—None. **Agent**—The Empire Trust Co. of New York will receive subscriptions.

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.

● **Dorsey Corp. (10/17-21)**
Sept. 1, 1960 filed $3,500,000 of 6½% sinking fund debentures, due October, 1975, with warrants for the purchase of 140,000 common shares, together with 350,000 common shares. **Price**—For the 140,000 shares, $12 per share; for the 350,000 shares the price will be supplied by amendment. **Business**—The design, manufacture, and distribution of all types of highway trailers except those carrying liquids. **Proceeds**—$7,000,000 will be supplied to the purchase of all the outstanding capital stock of Chattanooga Glass Co., with the balance for general corporate purposes. **Office** — 485 Lexington Ave., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

Drexel Dynamics Corp.
Aug. 26, 1960 filed 100,000 shares of common stock (no par). **Price**—$6 per share. **Business**—Research, development, and production in the fields of mechanics, electronics, optics, and functional systems. **Proceeds**—The net proceeds, estimated at $511,740, will be used for product development ($100,000), payment of notes ($16,000), and working capital ($395,740). **Office**—Philadelphia, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. (managing). **Offering** — Expected sometime in October.

★ **Dubrow Electronic Industries, Inc.**
Sept. 7, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents.) **Price**—$3 per share. **Business**—Electronic equipment for military use. **Proceeds**—For general corporate purposes. **Office**—235 Penn St., Burlington, N. J. **Underwriter** — Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Duncan Coffee Co. (9/19-23)
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., has withdrawn as underwriter.

● **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. **Note**—The underwriter states that this letter will be withdrawn.

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. (9/30)**
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. (9/19-23)**
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.

★ **Electro-Mechanical Systems, Inc.**
Aug. 31, 1960 (letter of notification), 33,333 shares of common stock (par 12½¢). **Price**—$6 per share. **Proceeds**—To purchase a mobile field research test laboratory and for additional laboratory equipment. **Address**—P. O. Box 1767, Titusville, Fla. **Underwriters**—Oppenheimer & Co., New York, N. Y.; Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.; Security Associates, Inc., Winter Park, Fla., and George, O'Neill & Co., Inc., Miami, Fla.

★ **Electro-Nuclear Metals, Inc.**
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

★ **Electro-Science Investors, Inc. (10/17-21)**
Sept. 7, 1960, filed 772,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is a non-diversified, closed-end, management investment company, and has not as yet commenced its business of furnishing equity capital and advisory services to small buisnesses in scientific fields. **Proceeds**—To start the business. **Office**—727 South Central Expressway, Richardson, Texas. **Underwriters**—Kidder, Peabody & Co., New York City, and Rauscher, Pierce & Co., Inc., Dallas, Texas (managing).

Electromedia, Inc.
Aug. 26, 1960 (letter of notification) 100,000 shares of common stock (par $2). **Price**—$3 per share. **Proceeds**—To advertise and for payroll and working capital. **Office**—6399 Wilshire Blvd., Suite 812, Los Angeles, Calif. **Underwriter** — Baron, Black, Kolb & Lawrence, Inc., Beverly Hills, Calif.

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.

★ **Elevator Electric Inc.**
Sept. 1, 1960 (letter of notification), 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To acquire a building site, to construct a new building and for working capital. **Office**—21st St. and Imperial Ave., San Diego, Calif. **Underwriter**—Norman C. Roberts Co., San Diego, Calif.

Ennis Business Forms, Inc. (9/26-30)
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.

● **Fairmount Finance Co. (9/19-23)**
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.

● **Federated Electronics, Inc. (9/26-30)**
Aug. 31, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share **Business**—Manufacture of electronic devices. **Proceeds**—For general corporate purposes. **Office**—134-20 Jamaica Avenue, Jamaica, N. Y. **Underwriter** — J. B. Coburn Associates, Inc., New York, N. Y.

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). **Offering** — Expected in late September to early October.

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.

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.

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**—Arthur B. Hogan, Inc., Burbank, Calif.

● **Florida Hillsboro Corp. (10/3-7)**
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.

★ **Florida Power Co. (10/20)**
Sept. 8, 1960, filed $25,000,000 of first mortgage bonds, due 1990. **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.

Foto-Video Electronics Corp. (9/19-23)
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 (9/26-30)**
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).

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 loan 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.

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. **Price** — 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.

★ **(Connie B.) Gay Broadcasting Corp. (11/1)**
Sept. 9, 1960 filed 130,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries own and operate radio and television stations. **Proceeds**—For the acquisition of a television station and two radio stations in Missouri. **Office** — 4000 Albemarle St., N. W., Washington, D. C. **Underwriter** — Hill, Darlington & Co., New York City (managing).

● **General Sales Corp.**
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York. **Offering**—Expected some time in October.

★ **Glastron Boat Co.**
Aug. 29, 1960 (letter of notification) 12,500 shares of common stock. **Price** — At-the-market (not to exceed $50,000). **Proceeds**—To go to a selling stockholder. **Office**—920 Justin Lane, Austin, Tex. **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, fabric covers for bathroom fixtures, and, through Mary Lester Stores, yard goods, sewing supplies, decorating fabrics, and various notions. **Proceeds**—For working capital, in-

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cluding 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**—Morris Cohon & Co., New York City. **Offering**—Expected in mid-October.

★ Great Atlantic Development Corp.
Sept. 8, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — c/o Joseph Frost, 280 Broadway, New York, N. Y. **Underwriter**—S. P. Levine & Co., Inc., New York, N. Y.

★ Green Shoe Manufacturing Co. (10/20)
Sept. 9, 1960 filed 420,000 shares of common stock (par $3), of which 45,000 shares are to be offered for the account of the issuing company, 355,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof, and 20,000 shares have been granted to the underwriters on an option basis. **Price**—To be supplied by amendment. **Business** — The company makes and sells children's shoes under the trade name of "The Stride Rite Shoe." **Proceeds**—For general corporate purposes, including plant improvement. **Office**—960 Harrison Ave., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis and F. S. Moseley & Co., both of New York City (managing).

Gulf Resources, Inc.
Sept. 2, 1960 filed 140,000 shares of common stock (par 10 cents). **Price**—$8 per share. **Business**—Gathering natural gas in Zapata and Starr Counties, Texas. **Proceeds** — For general corporate purposes. **Office** — 20 Broad Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in October.

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. (9/20)
July 22, 1960 filed 300,000 shares of capital stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, is to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The research, development, and manufacture of military electronic equipment, and the commercial manufacture and sale of shortwave 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).

★ Harvey (Guy P.) & Son Corp.
Sept. 1, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To reduce accounts payable, purchase inventory, manufacturing of molds, for construction and working capital. **Office**—40 Spruce St., Leominster, Mass. **Underwriter**—None.

Hawaiian Electric Co., Ltd.
July 25, 1960 filed 116,643 shares of common stock being offered to holders of the outstanding common on the basis of one new share for each eight shares held of record Aug. 23, with rights to expire at 12 noon on Sept. 27. **Price**—$49 per share. **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**—Imminent.

● Heldor Electronics Manufacturing Corp. (9/26-30)
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 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.

● Horizon Land Corp. (10/24-28)
Aug. 29, 1960 filed $1,500,000 of 7% subordinated convertible debentures, due October 1970, and 150,000 series III, common stock purchase warrants, to be offered in units consisting of a $1,000 debenture and 100 warrants. **Price** — $1,000 per unit. **Business** — Buying and selling land. **Proceeds**—For general corporate purposes, including land acquisition and advertising expenses. **Office**—Tucson, Ariz. **Underwriter**—Ross, Lyon & Co., Inc., New York City.

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.

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. (9/26-30)
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).

Indianapolis Power & Light Co. (9/27)
Aug. 25, 1960 filed $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 recieved 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.

Industrial Hose & Rubber Co., Inc.
Aug. 31, 1960 filed 125,000 shares of common stock. **Price** —$4 per share. **Proceeds** — Toward the repayment of notes, new machinery, additional inventory, and the balance for working capital. **Office** — Miami, Fla. **Underwriter**—Schrijver & Co., New York City (managing).

● Intercoast Companies, Inc. (10/5)
Aug. 16, 1960 filed 110,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—To pay the balance due on the purchase of Western Life shares, and the balance will be added to the general funds to finance the development of general life insurance agency and for working capital. **Office**—Sacramento, Calif. **Underwriter** —Schwabacher & Co., San Francisco, Calif. and New York City.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

International Safflower Corp. (9/19-23)
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.

★ Interstate Vending Co. (10/17-21)
Sept. 7, 1960, filed 235,000 shares of common stock (par $1), of which 200,000 shares will be offered for the account of the issuing company and 35,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. (The registration statement includes an additional 206,250 shares, all outstanding, of which 100,000 shares may be offered at the market from time to time. The holders of the other 106,250 shares have advised the issuing company that no present disposition of their shares is planned.) **Price** —To be supplied by amendment. **Business**—The company sells various products through coin-operated vending machines in 22 States, and designs and makes certain vending machines for its own use. Proceeds—For acquisitions, working capital, and new equipment. **Office**—251 E. Grand Ave., Chicago, Ill. **Underwriter** — Bear, Stearns & Co., New York City (managing).

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.

★ Jahncke Service Inc.
Sept. 3, 1960 filed 156,200 shares of common stock, of which 121,200 shares are to be offered for the account of the company and 35,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** —For acquisitions and working capital. **Office**—New Orleans, La. **Underwriter** — Hemphill, Noyes & Co., New York City (managing).

Kavanagh-Smith & Co.
Aug. 29, 1960 filed 145,000 shares of common stock (par $1) of which 30,000 shares are to be offered by stockholders. **Price**—$5 per share. **Proceeds** — For working capital. **Office** — 114 N. Greene St., Greensboro, N. C. **Underwriters**—United Securities Co. and Allied Securities Corp., Greensboro, N. C.; McCarley & Co., Inc., Asheville, N. C.; J. Sturgis May & Co., High Point, N. C. and Vaughan & Co., Wilmington, N. C.

● 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. **Note**—The filing was withdrawn on Sept. 8.

Keller Corp.
Aug. 26, 1960 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—For working capital. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers Co., New York, N. Y.

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. (10/20)
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.

Klondex Inc. (9/26-30)
Sept. 1, 1960 (letter of notification) 149,000 shares of class A stock (par one cent). **Price**—$2 per share. **Business**—Distributors of silver sensitized photo copy papers, chemicals and engineering photo reproduction materials. **Proceeds**—For general corporate purposes. **Office**—470 Clinton Ave., S., Rochester, N. Y. **Underwriter**—Schrijver & Co., New York, N. Y.

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).

Lifetime Pools Equipment Corp. (9/30)
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.

Lionel Corp.
Sept. 2, 1960 filed $4,500,000 of convertible subordinated debentures, due Oct. 1, 1980, to be offered for subscription to holders of the outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To reduce indebtedness, expand the research and development program, and add to working capital. **Office**—28 Sager Place, Irvington, N. J. **Underwriter**—Granbery, Marache & Co., New York City (Managing). **Offering**—Expected sometime in October.

● **Lithium Corp. of America, Inc. (9/26-30)**
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).

● **Louisiana Gas Service Co. (10/3-7)**
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). **Price**—To be supplied by amendment. **Proceeds**—All to be paid to Louisiana Power & Light Co. **Underwriter**—None.

Lytton Financial Corp. (9/19-23)
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.

Metcom, Inc.
Sept. 2, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company makes microwave tubes and devices. **Proceeds**—For working capital, machinery and equipment, the retirement of a mortgage loan, and research and development. **Office** — 76 Lafayette Street, Salem, Mass. **Underwriter** — Hayden, Stone & Co., New York City. **Offering**—Expected sometime in October.

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 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. **Note**—This letter was withdrawn on Aug. 15.

★ **Mid-States Business Capital Corp.**
Sept. 9, 1960, filed 750,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business** The company will invest in small business concerns. **Proceeds**—For general corporate purposes. **Office**—411 N. 7th St., St. Louis, Mo. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York City, and Scherck, Richter Co., St. Louis, Mo. (managing). **Offering**—Expected sometime in October.

★ **Midwestern Acceptance Corp.**
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

Milgo Electronic Corp. (9/26-30)
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.

● **Minitronics, Inc. (10/7)**
Aug. 26, 1960 (letter of notification) 100,000 shares of class A common stock (par 20 cents). **Price**—$3 per share. **Business**—To manufacture a new type of micro-miniature magnetic relay. **Proceeds** — For general corporate purposes. **Office**—373 Broadway, New York, N. Y. **Underwriter**—David Barnes & Co., Inc., 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 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.

● **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 early-to-mid October.

● **National Capital Corp. (9/26-30)**
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 Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). Price—$3 per share. Proceeds—For general corporate purposes. Office—410 Livingston Avenue, North Babylon, N. Y. Underwriter—Fund Planning Inc., New York, N. Y. Offering—Indefinite.

★ **National Western Life Insurance Co.**
Sept. 13, 1960 filed 225,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from the sale of shares to be issued as a result of options, in the amount of $1,106,407.50 for the discharge of indebtedness and general corporate purposes. **Office**—Denver, Colo. **Underwriter**—Peters, Writer & Christensen Inc., Denver, Colo.

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 October.

New York Telephone Co. (9/28)
Sept. 2, 1960 filed $60,000,000 of refunding mortgage bonds, series L, due October, 1997. **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 Wednesday, Sept. 28 up to 11 a.m.

● **Nixon-Baldwin Chemicals, Inc. (10/17-21)**
Aug. 24, 1960 filed $4,000,000 of 6½% subordinated debentures, due Oct. 1, 1980, and 160,000 shares of common stock, to be offered in units. Each unit will consist of $500 principal amount of debentures and an unannounced number of common shares. **Price**—$500 per unit. **Business**—The manufacturing and sale of rigid thermoplastic sheeting, rods, tubes, and other forms. **Proceeds**—To pay part of the cost of acquiring certain assets of Nixon Nitration Works; part of the proceeds will be used for working capital. **Office**—Nixon, N. J. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., both of New York City (managing).

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

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 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 (9/16)**
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. (9/27)**
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).

★ **Pacific Electro Magnetics Co., Inc.**
Sept. 2, 1960 (letter of notification) 60,000 shares of common stock (no par). **Price**—$5 per share. **Proceeds**—For working capital. **Office**—942 Commercial St., Palo Alto, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco, Calif.

★ **Pacific Lighting Gas Supply Co. (10/19)**
Sept. 9, 1960, filed $25,000,000 of sinking fund debentures, due 1980. **Business**—The issuer is a subsidiary of Pacific Lighting Corp., San Francisco, Calif. **Proceeds**—To finance current construction and repay short-term loans to its parent, Pacific Lighting Corp. **Office** — 720 W. 8th Street, Los Angeles, Calif. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). **Bids**—To be received on Oct. 19 in room 1329, 720 N. 8th Street, Los Angeles, Calif., at 8:30 a.m. California time.

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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.

★ **Palm Developers Limited (11/8)**
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

● **Pearson Corp.**
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. **Offering**—Expected in early October.

● **Perfect Photo, Inc. (9/28-30)**
Aug. 25, 1960 filed $4,500,000 of convertible subordinated debentures, due Oct. 1, 1980 and convertible into the issuer's common from July 1, 1961 through Oct. 1, 1980. **Price**—To be supplied by amendment. **Business**—Film processing and the distribution of photo equipment and supplies. **Proceeds**—In the amount of $3,600,000 (approximate), will be used to acquire substantially all of the stock of Consolidated Photographic Industries, Inc. **Office**—4747 N. Broad St., Philadelphia, Pa. **Underwriter**—Harriman Ripley & Co., Inc., of New York City (managing).

● **Philippine Oil Development Co., Inc. (9/19-23)**
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.

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. (10/3-7)
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The organization and operation of self-service markets in Florida under the names of "Pik-Quik" and "Tom Thum." There are now 31 such markets. **Proceeds**—Together with other funds, the proceeds will be used to purchase substantially all of the assets of Plymouth Rock Provision Co., Inc. **Office**—Baker Bldg., Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., Inc., New York City.

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.

★ **Poly-Seal Corp.**
Sept. 7, 1960 (letter of notification) 121,360 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Manufacturers of plastic closures. **Proceeds**—For general corporate purposes. **Office**—60 E. 42nd St., New York, N. Y. **Underwriter**—None.

● **Polytronics Laboratories, Inc. (9/27)**
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.

★ **Portland Reporter Publishing Co.**
Sept. 12, 1960 filed 175,000 shares of common stock, of which 125,000 shares are to be publicly offered, 39,000 shares sold to employees, and 11,000 shares exchanged for property or services. **Price**—$10 per share. **Business**—The company intends to publish an afternoon newspaper in Portland, Oreg. **Proceeds**—For general corporate purposes. **Office**—1130 S. W. 3rd Ave., Portland, Oreg. **Underwriter**—None.

● **Portland Turf Association (9/26-30)**
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.

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.

● **Premier Microwave Corp.**
Aug. 26, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company designs, develops, and produces microwave components. **Proceeds**—To reduce indebtedness and add to working capital. **Office** — 33 New Broad St., Portchester, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Offering**—Expected in late October.

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 Electric & Gas Co. (9/20)
Aug. 24, 1960 filed $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., at 80 Park Place, 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.

● **Puritan Sportswear Corp.**
Aug. 24, 1960 filed 120,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The firm makes and sells sportswear for men and boys. **Proceeds**—To selling stockholders. **Office**—813 25th St., Altoona, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in early October.

Puritron Corp. (9/30)
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).

R. C. Can Co.
Aug. 25, 1960 filed 230,000 shares of common stock, of which 50,000 shares will be offered for the account of the issuing company and 180,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of fibre-bodied cans and containers of various sizes. **Proceeds**—For general corporate purposes. **Office**—9430 Page Blvd., St. Louis, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis, Mo. (managing).

Radio Shack Corp. (10/3-7)
Aug. 16, 1960, filed 200,000 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuer, and the remaining 50,000 shares by present holders thereof. **Price** — To be supplied by amendment. **Business**—Distributors of electronics products, sound components, and small appliances. **Office**—730 Commonwealth Avenue, Boston, Mass. **Underwriter**—Granbery, Marache & Co., New York City.

● **Rainier Co., Inc. (9/19-23)**
Aug. 1, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of electronics parts and components, and precision machine parts for military and commercial aircraft. **Proceeds**—For general corporate purposes. **Office**—86 Magnolia Street, Westbury, L. I., N. Y. **Underwriter**—Richard Bruce & Co., New York, N. Y.

● **Rayson Craft Boat Co.**
July 11, 1960, (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To purchase additional equipment, for sales, purchase of inventory and working capital. **Address** — Gardena, Calif. **Underwriter**—California Investors, Los Angeles, Calif. **Offering**—Indefinitely postponed.

● **Resiflex Laboratory, Inc. (9/20-21)**
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.

Resisto Chemical, Inc.
Aug. 29, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The firm makes and sells protective coatings for packaging and fabrics, and products used in insulation. **Proceeds**—For working capital ($235,358), with the balance for machinery, equipment, and general corporate purposes. **Office** — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in October.

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.

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 1:00 p.m. New York Time. **Information Meeting**—Scheduled for Sept. 19 at 10:00 a.m. in New York.

Roller Derby TV, Inc.
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

Rotating Components, Inc.
July 8, 1960 (letter of notification), 100,000 shares of common stock (par 1¢). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—267 Green St., Brooklyn 2, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y. **Offering**—Imminent.

● **Roto-American Corp. (9/21-22)**
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. (9/26-30)
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.

★ **Sabre Craft Boat Co., Inc. (9/22)**
Aug. 26, 1960 filed 273,250 shares of no par common stock. **Price** — $1 per share. **Business** — The company makes fibre glass boats. **Proceeds**—For relocation, construction of a new plant in Michigan, leasehold improvements, and general corporate purposes. **Office**—Tacoma, Wash. **Underwriter**—R. A. Holman & Co., Inc., New York City.

● **Sachar Properties, Inc. (9/20)**
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. (9/16-19)
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

San Diego Gas & Electric Co. (10/4)
Aug. 30, 1960 filed $30,000,000 of bonds, series H, due 1990. **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.
Aug. 29, 1960 filed 275,000 shares of no par common stock, of which 175,000 shares are to be offered for the account of the issuing company, 75,000 shares for the account of selling stockholders, and 25,000 shares may be optioned by the underwriters. **Price**—To be supplied by amendment. **Business** — The company makes, sells, and leases proprietary electronic devices. **Proceeds**—For general corporate purposes, including the reduction of indebtedness. **Office** — 2215 Colby Ave., Los Angeles, Calif. **Underwriters**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis, both of New York City (managing). **Offering** — Expected sometime in October.

● Sealed Air Corp. (9/19-23)
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.

★ Securities Acceptance Corp.
Aug. 31, 1960 (letter of notification) 10,000 shares of 5% cumulative preferred stock (par $25). **Price**—$24.50 per share. **Proceeds**—For working capital. **Office**—304 S. 18th St., Omaha, Neb. **Underwriters**—The First Trust Co. of Lincoln, Lincoln, Neb.; Storz-Wachob-Bender Corp., Omaha, Neb. and Cruttenden, Podesta & Co., Chicago, Ill.

★ Security Annuity Life Insurance Co.
Sept. 8, 1960, filed 300,000 shares of common stock. **Price**—$7 per share. (The issuer's subsidiary, Annuity Life Insurance Co., which will register with the SEC as an open end diversified management investment company, was a partner in the registration.) **Business** —The sale of various forms of life insurance, annuities, and health and accident insurance. **Proceeds**—For general corporate purposes. **Office**—713 Marion E. Taylor Building, Louisville, Ky. **Underwriter**—None.

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.

★ Simon Hardware Co.
Sept. 9, 1960, filed $900,000 of sinking fund debentures, due Sept. 30, 1972, with warrants, and 700,000 shares of common stock, to be offered in units of a $1,000 debenture and warrants to purchase 100 common shares. **Price** —To be supplied by amendment. **Business**—The firm sells a diversified line of consumer goods through a store in Oakland, Calif., and proposes to open additional stores in Hayward and Walnut Creek. **Proceeds**—To reduce bank borrowings and for equipping the new stores. **Office**—800 Broadway, Oakland, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

● Softol, Inc. (9/19-23)
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. **Note**—This issue was refiled on Sept. 7.

★ Solitron Devices, Inc.
Sept. 9, 1960 filed $400,000 of 6% subordinated convertible debentures, due 1967. **Price**—At par. **Business**—The company makes and sells solid state devices. **Proceeds**—For general corporate purposes. **Office**—67 South Lexington Ave., White Plains, N. Y. **Underwriter**—Casper Rogers & Co., New York City.

Southern Nevada Power Co. (10/4)
Aug. 26, 1960 filed $5,000,000 of first mortgage bonds, series E, due 1990 and $2,000,000 of $20 par preferred stock (100,000 shares). **Proceeds**—For construction and repayment of bank loans. **Address**—P. O. Box 230, Las Vegas, Nev. **Underwriter**—White, Weld & Co., of New York City (managing).

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.

● Spier Electronics, Inc.
Aug. 24, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of electronic products. **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—1949-51 McDonald Ave., Brooklyn, N. Y. **Underwriter**—D'Amico & Co., Inc., 15 William St., New York, N. Y. **Offering**—Expected in early October.

● Spray-Bilt, Inc. (9/16)
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.

★ Stamford Chemical Industries, Inc. (9/19-23)
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 25 cents). **Price**—$4 per share. **Proceeds**—To purchase new equipment, for moving and to develop new sales areas. **Office**—c/o Samuel Machlis, 64 Avemore Dr., New Rochelle, N. Y. **Underwriter**—G. H. Walker & Co., New York, N. Y.

● Standard Instrument Corp. (10/3-7)
Aug. 26, 1960 (letter of notification) 50,000 shares of common stock (par 20 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of electrical devices. **Proceeds**—For general corporate purposes. **Office** —657 Broadway, New York 21, N. Y. **Underwriter** — Havener Securities Corp., New York, N. Y.

★ Starfire Boat Corp.
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Proceeds**—For working capital. **Office**—809 Kennedy Bldg., Tulsa, Okla. **Underwriters**—Batten & Co., Washington, D. C. and F. R. Burns & Co., Oklahoma City, Okla.

● Stephan Co.
Sept. 2, 1960 filed 150,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Business**—The manufacture and sale of men's hair lotions, shampoos, after shave preparations, and toilet waters. **Proceeds**—$250,000 for advertising and sales promotion, primarily for new products with the balance for general corporate purposes. **Office**—Professional Bldg., Ft. Lauderdale, Fla. **Underwriter**—D. Gleich & Co., New York City. **Offering** —Expected sometime in October.

● Still-Man Manufacturing Corp. (10/11)
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.

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.

★ Sugarine Co.
Aug. 30, 1960 (letter of notification) 80,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds** —To go to selling stockholders. **Address**—Mt. Vernon, Ill. **Underwriter**—None.

Summers Gyroscope Co.
Aug. 29, 1960 filed 6,403,215 shares of common stock, of which 5,702,878 shares are to be offered by Atlas Corp. to the holders of its outstanding common on the basis of one Summers share for each two Atlas shares held, and 700,337 shares to be offered by Mertronics Corp. to its stockholders on a share-for-share basis. **Price**—75 cents per share. **Purpose**—The purpose of the offering is to effect a divestiture by Atlas and Mertronics of their 71.1% interest in Summers in order to dispose of matters pending before the CAB. **Office**—2500 Broadway Ave., Santa Monica, Calif. **Underwriter**—None. **Offering** —Expected sometime in October.

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. (9/26-30)
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.

● Techni Electronics, Inc. (10/3)
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 Materiel Corp. (10/3)
Aug. 25, 1960 filed 120,000 shares of common stock (50 cents par), of which 50,000 shares are to be offered for the account of the issuing company and 70,000 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 makes and sells hi-fi radio components and systems. **Proceeds** —The proceeds, estimated at $750,000, will be used for construction of a new plant, probably in Westchester County, N. Y., with the balance for working capital. **Office**—700 Fenimore Road, Mamaroneck, N. Y. **Underwriter** — Kidder, Peabody & Co., Inc., New York City (managing).

● Technical Measurement Corp. (9/20)
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.

● Tech-Ohm Electronics, Inc.
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y. **Offering**—Imminent. **Note**—This issue was refiled on Sept. 6.

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. (9/26-30)
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. (9/26-30)
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. (10/3-7)
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.

● 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. **Offering**—Expected some time in October.

★ Therm-Air Mfg. Co., Inc.
Sept. 13, 1960 filed 125,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes and sells temperature and humidity control equipment for military and commercial use. **Proceeds**—To pay loans, for research and development, and for working capital. **Office**—1000 North Division St., Peekskill, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., New York City.

● Timely Clothes, Inc. (9/26-30)
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).

Topic Electronics, Inc.
Aug. 17, 1960 (letter of notification) 85,000 shares of common stock (no par). **Price**—$3.40 per share. **Proceeds** —To pay promissory notes, general obligations and for working capital. **Office**—8 Mercer Road, Natick, Mass. **Underwriter**—DuPont, Homsey & Co., Boston, Mass.

★ Transitron Electronics Corp.
Sept. 9, 1960, filed 1,250,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 168 Albion St., Wakefield, Mass. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing). **Offering**—Expected in late October.

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● Trav-ler Radio Corp. (9/19-23)
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).

● Triangle Business Machine, Inc. (9/19-23)
Aug. 25, 1960 (letter of notification) 200,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase machinery and equipment and for working capital. **Office**—334 Venice Blvd., Los Angeles 15, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif.

Triangle Lumber Corp. (9/19-23)
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 cre bodies. **Office**—233 Broadway, New York City. **Underwriter**—None. **Offering**—Expected in mid-October.

★ Umpqua Oil Corp.
Aug. 31, 1960 (letter of notification) 400,000 shares of common stock. **Price**—At par (50 cents per share). **Proceeds**—For expenses to develop oil property. **Office**—1533 S. E. Short Street, Roseburg, Ore. **Underwriter**—None.

Union Electric Co. (9/22)
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 Sept. 22 up to 11 a.m. (EDT). **Information Meeting**—Sept. 20 at 3:00 p.m. at the Bankers Trust Co.

● Union Texas Natural Gas Corp.
July 8, 1960, filed 150,248 shares of outstanding class A stock (par $1), and 75,124 shares of outstanding class B stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 811 Rusk Ave., Houston, Texas. **Underwriters** — Carl M. Loeb, Rhoades & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., Inc., all of New York City. **Offering**—Expected in late September.

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.

Urban Development Corp.
Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter** — Union Securities Investment Co., Memphis, Tenn.

Utah Gas Service Co.
Aug. 25, 1960 filed $800,000 of 6% first mortgage sinking fund bonds, due Oct. 1, 1975, of which $300,000 will be used for debentures refunding and $500,000 are to be publicly offered. **Price**—At par. **Proceeds**—$440,000 will be used to retire certain outstanding indebtedness. **Office**—511-12 Desert Bldg., Salt Lake City, Utah. **Underwriter**—The First Trust Co. of Lincoln, Nebr.

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. (10/4)
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. **Underwriters**—B. N. Rubin & Co. and H. S. Simmons & Co. both of New York City.

★ Vector Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Hauser, Murdoch, Rippey & Co., Dallas, Tex.

● Vendo Co.
July 29, 1960 filed $5,225,000 of 4½% convertible subordinated debentures, due 1980, being offered to holders of the outstanding common on the basis of $100 principal amount of debentures for each 50 shares held of record Sept. 7 with rights to expire on Sept. 21. **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).

Virginia Capital Corp.
Aug. 31, 1960 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is licensed by the Small Business Administration to operate throughout Virginia under the Small Business Investment Act of 1958. **Proceeds**—To furnish capital, long-term loans, and consulting and advisory services to selected small business concerns. **Office** — 907 State-Planters Bank Bldg., Richmond, Va. **Underwriter**—J. C. Wheat & Co., Richmond, Va. (managing).

● Wallace Press, Inc. (9/19-23)
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).

★ Wear-Weld Engineering & Mfg. Co.
Aug. 29, 1960 (letter of notification) 87,500 shares of common stock (no par) of which 11,000 shares are to be offered by the underwriters. **Price**—$2 per share. **Proceeds**—To purchase inventory, tools and for additional working capital. **Office** — 4831 S. E. Division St., Portland, Oreg. **Underwriter**—None.

● Welded Tube Co. of America (10/17-21)
Aug. 31, 1960 filed 140,000 shares of class A common stock (par $1). **Price**—$6 per share. **Business**—The manufacture and sale of electrical resistance steel tubing. **Proceeds** — $100,000 will be applied to reduction of a $600,000 revolving bank credit, $200,000 for new equipment and machinery, and the balance for general corporate purposes, including working capital. **Office**—2001 S. Water St., Philadelphia, Pa. **Underwriter**—H. Hentz & Co., New York City (managing).

● Wenwood Organizations Inc.
June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due August, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York. **Offering**—Expected in late 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.

● White Avionics Corp.
Sept. 6, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of missiles and aircraft instrumentation. **Proceeds**—For general corporate purposes. **Office**—Terminal Dr., Plainview, L. I., N. Y. **Underwriter**—Planned Investing Corp., New York, N. Y. **Note**—This is a refiling of an issue originally filed last June 6 and subsequently withdrawn. The offering is scheduled for about the third week in October.

● Whitmoyer Laboratories, Inc. (9/20)
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. (10/3-7)
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.

● Williamsburg Greetings Corp. (10/24-28)
Aug. 26, 1960 filed 180,000 shares of common stock (par 25 cents). **Price** — $3 per share. **Business**—The company and its subsidiaries are engaged chiefly in the dseign, production, and sale of greeting cards. **Proceeds**—About $400,000 will be applied to the reduction of factoring advances, with the balance to be added to working capital. **Office**—3280 Broadway, New York City. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa., and Amos Treat & Co., Inc., 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.

★ Woodbury Telephone Co.
Sept. 9, 1960 (letter of notification), 7,066 shares of common stock to be offered for subscription to stockholders of record Oct. 17, 1960, on the basis of one share for each two shares held. Rights expire Nov. 14, 1960. **Price**—At par ($25 per share). **Proceeds**—To increase telephone service. **Address**—Woodbury, Conn. **Underwriter**—None.

● Youngstown Sheet & Tube Co.
Sept. 7, 1960 filed $60,000,000 of first mortgage sinking fund bonds, series H, due 1990. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures and to replenish working capital. **Office** — 7655 Market St., Youngstown 1, Ohio. **Underwriters**—Kuhn, Loeb & Co. and Smith, Barney & Co., both of New York City (managing). **Offering**—Expected in early October.

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.

★ Alloys Unlimited
Sept. 12, 1960 it was reported that a registration of common stock is expected. **Office**—21-09 43rd Ave., Long Island City, L. I., N. Y. **Underwriters**—C. E. Unterberg, Towbin Co. and Newburger, Loeb & Co., both of New York City.

★ Americana Properties, Inc.
Sept. 12, 1960 it was reported that October registration is expected of $600,000 of common stock. The company is in the real estate and bowling center business, and owns three bowling centers. **Proceeds**—For general corporate purposes. **Office**—Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

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.

Amphenol-Borg Electronics Corp.
Sept. 7, 1960 M. L. Devine, President, announced that part of the company's $4,175,000 building program would be financed through the sale of debt securities. **Office**—Broadview, Ill.

Arkansas Power & Light Co.
June 20, 1960, it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds sometime in December. **Underwriter**—To be determined by competitive bidding. **Probable** bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

★ **Associated Dry Goods Corp.**
Sept. 14, 1960 it was reported that the filing of $20,000,000 of debentures is imminent. **Office**—417 Fifth Ave., New York City. **Underwriter** — Lehman Brothers, New York City (managing).

★ **Atlantic Transistor Corp.**
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock, in October. **Business**—The company makes and sells a "water-tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp 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.

★ **Automation Labs Inc.**
Sept. 14, 1960 it was reported that a "Reg A" filing is imminent. **Business** — Electronics. **Office** — Westbury, L. I., N. Y. **Underwriters** — Sandkuhl and Company, Newark, N. J., and New York City, and J. I. Magaril & Co., 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.

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.

Casavan Industries
Aug. 29, 1960 it was reported by Mr. Casavena, President, that registration is imminent of about $5,000,000 of common stock and approximately $4,000,000 of debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion to meet $10,000,000 backlog. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—To be named.

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.

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. of New York, Inc. (11/22)**
Sept. 8, 1960, the company announced that its application to the New York State Public Service Commission for permission to raise $75,000,000 through the sale of first and refunding mortgage bonds is expected in early October. **Proceeds**—For expansion. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 22.

● **Consumers Power Co. (12/12)**
Sept. 14, 1960 it was reported that 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. **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. **Bids**—Expected to be received on Dec. 12 up to 11:30 a.m.

Cove Pharmaceutical Laboratories
Aug. 29, 1960 it was announced that imminent registration is expected of the company's first public offering of common stock. **Business**—The distribution of vitamins through department stores. **Proceeds**—For general corporate purposes. **Office**—Glen Cove, L. I., N. Y. **Underwriter**—Hill Thompson & Co., Inc., New York City, N. Y.

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.

● **Dallas Power & Light Co.**
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

★ **Dodge Wire Manufacturing Corp.**
Sept. 12, 1960 it was reported that October registration is expected of $600,000 of common stock. **Proceeds**—For general corporate purposes. **Office** — Covington, Ga. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

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. **Note**—Sept. 1 it was announced that the company is seeking permission from the SEC to register as an investment co., and a hearing may be requested until Sept. 15.

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.

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.

★ **Geophysics, Inc.**
Sept. 12, 1960 it was reported that the filing of an issue of common stock is imminent. **Office** — Boston, Mass. **Underwriter**—C. E. Unterberg, Towbin Co., New York City.

★ **Georgia Bonded Fibers, Inc.**
Sept. 14, 1960 it was reported that October registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena, Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and N. Y. City.

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.

★ **Ginn & Co.**
Sept. 14, 1960 it was reported that an undetermined number of common shares is expected to be filed around the middle of October. **Business**—Publishing. **Office**—Boston, Mass. **Underwriter**—White, Weld & Co., New York City (managing).

Hawaiian Electric Co.
July 25, 1960 it was reported that in addition to the rights offering currently being made (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. (11/15)
March 30 it was reported that the company plans to issue and sell $15,000,000 of first mortgage bonds due 1990. **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. **Bids**—Expected to be received on Nov. 15.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25 (see "Securities Now in Registration"), the company plans the sale of about $14,000,000 of additional securities in 1963. **Office**—25 Monument Circle, Indianapolis, Ind.

International Mining Corp.
It was announced June 1, 1960 in the 1959 Annual Report of International Mining Corp. that the corporation intends to issue $10,830,000 of 7% secured serial notes in connection with its merger with Canton Co. of Baltimore, which will be the name of the surviving corporation. It is expected that the notes will be issued shortly at par, and will mature at the rates of $1,000,000 annually for one to three years, $500,000 annually for four to nine years, and $4,830,000 the 10th year after the merger. **Office**—535 Fifth Avenue, New York City. **Underwriter**—None.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. Office—Cedar Rapids, Iowa.

Iowa-Illinois Gas & Electric Co.
June 23, 1960, it was announced that the company's sale of $15,000,000 of first mortgage bonds in April of this year will carry it through the better part of 1960. The company plans some bank borrowing before the end of the year and expects to be in market again sometime in 1961, probably also for senior debt securities.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

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.

Loral Electronics Corp.
Sept. 1, 1960 it was reported that November registration is expected of up to $5,000,000 of convertible debentures. **Office**—New York 72, N. Y. **Underwriter**—Lehman Bros., New York City. **Offering**—Expected in December.

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.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is imminent of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds** —For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Ave., Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City, N. Y.

★ **Meadow Brook National Bank**
Sept. 14, 1960 it was reported that pursuant to an Oct. 11 stockholders meeting a rights offering of 462,564 shares is expected. The new shares will be offered to stockholders on the basis of one share for each 4½ shares held. **Price**—To be announced. **Proceeds**—To supply cash for merger with Colonial Trust Co. **Office**—West Hempstead, L. I., N. Y. **Underwriter**—Lee Higginson Corp., New York City (managing).

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

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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 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. **Underwriter**—Lehman Brothers, New York City (managing).

New Jersey Bell Telephone Co. (11/15)
Sept. 1, 1960 approval was obtained from the New Jersey Board of Public Utility Commissioners for the sale of $20,000,000 of 40-year debentures. **Proceeds**—To reduce indebtedness and to supply funds for capital expenditures, which are expected to reach a record high of $105,000,000 in 1960. **Office**—Newark, N. J. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 15.

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 Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

★ Northern Trust Co. of Chicago
The bank is offering to holders of record Sept. 15, 1960 125,000 additional shares of common stock on the basis of one new share for each five shares then held. Rights expire Oct. 5. **Price**—$105 per share. **Office**—Chicago. **Underwriter**—Blyth & Co., Inc., New York City (managing).

One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected on or about Oct. 15 of 300,000 shares of common stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls Inc., 1 Maiden Lane, New York 38, N. Y.

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 competitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected to be received on Nov. 1.

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.

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 (11/15)
Aug. 29, 1960 it was reported that the company plans an issue of $6,000,000 of bonds. **Office**—1087 Elm Street, Manchester, N. H. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Nov. 15.

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.

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.

★ Schweppes (U. S. A.) Ltd.
Sept. 13, 1960 it was reported that the company will shortly register with the SEC. No confirmation was available. **Office**—445 Park Ave., 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 Pacific Co. (9/27)
Aug. 17, 1960 it was reported that the road is planning the sale of $7,500,000 of equipment trust certificates, series No. 10, dated Aug. 1, to mature in 15 equal annual instalments from Aug. 1, 1961. **Proceeds**—The proceeds will represent approximately 80% of the cost of 747 freight cars. **Underwriter**—To be determined by competitive bidding. Bidders—Halsey, Stuart & Co., Inc., and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Sept. 21 up to noon (EDT).

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.

★ Stantex Manufacturing Corp.
Sept. 12, 1960 it was reported that an October registration of a "Reg. A" filing is expected. **Business** — The firm makes and sells sporting goods. **Proceeds**—For general corporate purposes. **Office**—Philadelphia, Pa. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

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). **Note**—A ruling on Aug. 4 by the U. S. Treasury Dept. will permit small dealers who have not registered with the SEC and who are not members of the NASD to sell TVA bonds.

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.

United Gas Corp. (10/31)
Aug. 29, 1960 it was reported that registration is imminent of $30,000,000 of sinking fund debentures, due 1980, and $30,000,000 of first mortgage bonds. **Office** — 1525 Fairfield Avenue, Shreveport, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co., and Goldman, Sachs & Co. (jointly); White, Weld & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected Oct. 31.

Vogue Instrument Corp.
Aug. 24, 1960, it was reported that a Regulation "A" filing is expected. **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.

★ Waldorf Auto Leasing Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is imminent. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriters**—Sandkuhl and Company, Newark, N. J., and New York City, and J. I. Magaril & Co., New York City.

★ (Del E.) Webb Corp.
Sept. 14, 1960 it was reported that filing is imminent of $8,000,000 of subordinated debentures, due Oct. 1, 1975, 640,000 shares of common stock, and warrants for the purchase of an additional 320,000 common shares. The offering will be made in units. **Office** — Phoenix, Ariz. **Underwriter**—Lehman Brothers, New York City (managing).

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.

THE SECURITY I LIKE BEST...

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key steps in putting up such a building include:

(1) Selecting a prime site.

(2) Designing the best possible building for the site.

(3) Constructing the building with strict attention to cost.

(4) Renting the space to high credit-rated tenants on long-term leases.

(5) Obtaining favorable mortgage financing.

The Uris organization has shown itself expert in all these phases of operations. It has had the ability to foresee the development of new areas and to choose prime sites for its buildings. Because of its experience, it has been able to build its structures at costs generally below its competitors' costs. Space in the Uris buildings has been rented primarily to AAA tenants under long-term leases running from 10 to 30 years. The result has been quality office buildings with high appraisal values and assured long-term income.

This assured long-term income, guaranteed in effect by leases to AAA tenants, is particularly important. Such assured income was not possible in real estate 30 years ago, when the longest leases on office space ran for only three to five years. Now, however, it is the hallmark of a highgrade office building. The resulting stability of income puts such real estate investment in an entirely different category from investment, for example, in an industrial company whose earnings are subject to the ups and downs of the business cycle, or in apartment houses which have only short-term leases.

This assurance of long-term income has special consequences of the utmost importance to the builder and investor.

(1) the appraised value of the buildings is increased substantially.

(2) Financing can be obtained for the buildings on highly favorable terms at minimum mortgage costs.

(3) The favorable mortgage arrangement on each building permits the company to keep a minimum investment in each office structure. Thus the organization has been continually able to move on to new projects providing additional profit potential.

(4) The long-term leases give the Uris buildings the quality of being readily salable at maximum values, since the assured long-term income is attractive to private or institutional buyers seeking a well-protected, favorable return combined with the tax advantages that real estate ownership offers. While it is not the policy of the company to sell its properties, such sales may at some time be deemed advisable, and would probably create important capital gains.

The Uris organization is now in the midst of the greatest building activity in its history. Besides owning three completed buildings, Uris Buildings Corporation has four major new buildings under construction in New York City scheduled for completion between December 1960 and May 1962. These seven buildings will have a combined rentable space of 4½ million square feet.

Renting of space in the new buildings is proceeding even more rapidly than construction, and with great success. The three completed buildings have for some time been 100% leased. Of the buildings under construction, 350 Park Avenue is leased 100% to the Hanover Bank. More than 99% of the space in 320 Park Avenue has already been leased, including 42% to International Telephone and Telegraph. To date, the company has leased 70% of the rentable space in 850 Third Avenue, which will not be ready for first occupancy until May 1961. The Radio Corporation of America has already leased 27% of the space in 60 Broad Street, where site demolition is still taking place, with first occupancy not scheduled until May 1962.

Recently, the company announced plans for two new projects of tremendous importance. Rockefeller Center, Inc. has joined with Uris Buildings Corporation to form a new corporate partnership to erect a 42-story office building and a 38-story luxury hotel on two prime sites on the Avenue of the Americas, previously acquired by the Uris Buildings Corporation. These two buildings will be close to Rockefeller Center in a rapidly developing area which appears certain to be one of the major centers of New York real estate expansion over the next few years.

Permanent financing for both of the new structures has already been arranged. The Prudential Insurance Company of America will finance the office building, and the New York Life Insurance Company will finance the hotel. When completed in June 1962, the office building will have an appraised value estimated at $54 million; and the hotel, which is to be completed in the Spring of 1963, will have an appraised value of about $51 million.

This new association for Uris is an important forward step and will have great significance for the future of the corporation.

Obviously, from the point of view of the private investor, the assets and achievements of Uris Buildings Corporation are important primarily as they affect the basic value of the common stock.

A year from now, when the 350 Park Avenue, 320 Park Avenue and 850 Third Avenue buildings are completed, we estimate that the net appraisal value of the Uris common equity, after giving effect to all assets and liabilities of the corporation, will be $57½ million, or $18 per share on the 3,200,000 common shares outstanding. A year later, by September 1962, we estimate that the net appraisal value will be $22 per share, reflecting the completion of 60 Broad Street and the continued amortization of mortgage debt out of the company's cash flow.

These calculations do not take into account the new Sixth Avenue projects. While Uris Buildings Corporation will have a 50% rather than a 100% interest in the new buildings, it is our estimate that these two properties should increase the net appraisal value of the Uris common stock by about $4 per share. Taking into account also the company's interim cash flow, we estimate that by the time all the new projects are completed, the appraisal value of the common stock will be close to $30 per share.

In understanding real estate investment values, it should be noted that in real estate operations, unlike industrial companies, the key earnings figure is not net income but cash flow—earnings before depreciation and before Federal income tax. This corporate cash flow represents a net addition to equity values. Part goes into mortgage amortization, increasing the equity in the properties by reducing debt. The remainder is available for investment in new projects or for dividend distributions.

As the new Uris Buildings are completed, the company's income will rise rapidly. It is estimated that when the first seven buildings are in full operation, without allowing for the Sixth Avenue projects, total rentals will rise to an annual rate of $22 million, compared with $9 million currently, and the cash flow of Uris Buildings Corporation will be approximately $6.7 million before debt amortization, or somewhat over $2 per share. Amortization of mortgages will absorb about $2.4 million of this total, leaving cash of about $4.3 million available for the sinking fund on the 6½% debentures, dividends, and other corporate purposes.

Because of the tremendous construction program, we expect that in the immediate future Uris Buildings Corporation will continue to plow back its available cash, and that there will be no cash dividends on the common stock for about two years.

However, and this is of the greatest importance, there is good reason to believe that when cash dividends are paid by the company, they will be tax-free. Because of tax losses during construction and accelerated depreciation, Uris is expected to show negligible net income for tax purposes. According to our discussions with tax experts, under these circumstances there is a good likelihood that the company's cash dividends will be non-taxable as ordinary income.

In the formation of the corporation, the Uris family and their associates received 2,800,000 shares of common stock for their equity, which had a total appraised value of $41.8 million, so that they contributed almost $15 of appraised value for each share received. They received no senior securities. Since their sole interest in the corporation is the common stock, we have no doubt that management will concentrate its efforts on building up the asset value and earning power of the common equity. By way of further assurance, the Uris brothers have agreed in writing that all their future real estate activities will be for the benefit of the corporation.

Based upon the foregoing, my reasons for selecting Uris Buildings Corporation as an outstanding real estate special situation can be summarized as follows:

(1) The Uris organization is outstanding in the construction field.

(2) The company holds prime properties.

(3) Long-term leases provide assured long-term income.

(4) Dividends, when they are paid, will in all likelihood be tax-free.

(5) The common stock provides full participation in this operation at a substantial discount from underlying appraisal value.

(6) The company is currently engaged in the most active building program in its history, which will add rapidly to appraisal values and cash flow. Further ahead, we expect that new projects, beginning with the important Sixth Avenue developments, will continue this buildup of values and income far into the future.

(7) The common stock thus provides an unusual combination of assured values and major growth potential.

F.I.C. Banks to Offer Debens.

The Federal Intermediate Credit Banks are planning to offer later this week $154,000,000 of nine-month debentures, it was announced by John T. Knox, fiscal agent. The price will be announced Sept. 16, he said, and proceeds from the sale are to be used to redeem $203,000,000 of 5⅜% debentures maturing Oct. 3.

Form F. S. Johns Co.

SPRINGFIELD, N. J.—F. S. Johns & Co., Inc. has been formed with offices at 120 Morris Avenue to engage in a securities business. Officers are John A. Tricoli, President, John Silvestri, Vice-President; and Francis S. Collura, Secretary and Treasurer.

With American Secs.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — James E. Moynihan, Jr. has become associated with American Securities Corporation, 53 State Street.

Venture Capital Stock Is Sold

Filor Bullard & Smyth and associates are offering today (Sept. 15) 325,000 shares of Venture Capital Corp. of America common stock at $7.50 per share. This offering has been oversubscribed and the books closed.

Venture Capital is a close-end non-diversified management investment company that was incorporated earlier this year, and is licensed under the Small Business Investment Act of 1958.

Net proceeds from the sale of the stock will be used to provide investment capital to small business concerns which, in the opinion of management, present growth possibilities. Investments and loans will be made to concerns operating in diverse fields of activity and located in any state of the United States, Puerto Rico, or the District of Columbia.

Upon completion of the current financing, capitalization of the company will consist of 379,400 shares of common stock.

Others in the group are: Hardy & Co., Bregman, Cummings & Co., A. L. Stamm & Co., and Sprayregen, Haft & Co.

Three With Staats in New Branch Office

(Special to THE FINANCIAL CHRONICLE)

SANTA CRUZ, Calif.—Frederick Weaver, Pratt A. Clark and Charles Drake have become associated with William R. Staats & Co. in the newly opened branch office at 1021 Center Street. Mr. Weaver was formerly local manager for Hooker & Fay, Inc., with which Mr. Clark and Mr. Drake were also associated.

Marache, Dofflemyre Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Fred H. Massey has become connected With Marache, Dofflemyre & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. Mr. Masey was previously with Hill Richards & Co.

With Paine, Webber

Edwin A. Roginski, formerly with the Mutual Benefit Life Insurance Company, has joined the research department of Paine, Webber, Jackson & Curtis, 25 Broad St., New York City, members of the New York Stock Exchange, it was announced by Lloyd W. Mason, executive partner of the coast-to-coast investment firm. Mr. Roginski will specialize in preferred stock and bond analysis, Mr. Mason said.

Previous to his association with the Mutual Benefit Life Insurance Company, he was with the First National Bank of Sayreville.

Gary Ishikawa Co.

HONOLULU, Hawaii—Gary Ishikawa & Co., Inc. has been formed with offices at 3561 Kilauea Ave. to engage in a securities business. Officers are Gary Y. Ishikawa, President and Treasurer; Jiro Iwai, Vice-President; and Larry N. Kuriyama, Secretary. Mr. Ishikawa was formerly with H. Kawano & Co., Ltd.

Electronics Sec. Corp.

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Simeon Miller is now engaging in a securities business from offices at 3424 East Lake Street under the firm name of Electronics Security Corporation. Mr. Miller was formerly proprietor of Simeon Miller & Company.

Now With E. F. Hutton

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — France V. Ellis is now with E. F. Hutton & Company, 623 South Spring Street. Mr. Ellis was formerly with Harris, Upham & Co.

Two With F. I. du Pont

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Clarence F. Jones, Jr. and Robert W. Ross have become associated with Francis I. du Pont & Co., 80 Federal Street. Both were formerly with Reynolds & Co.

DIVIDEND NOTICES

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WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Labor is mobilizing its forces for the greatest participation in politics this fall of any time since it became a power on the American scene.

Labor, with 13,000,000 persons belonging to unions, is going to have a strong voice not only in local and State politics, but in the outcome of the Presidency of the United States.

At this very moment labor has underway an intensive drive to get trade union members, their families and neighbors registered and eligible to vote. The program is being financed by a 5-cent-a-member contribution by affiliated unions of the AFL-CIO.

Because of the all-out efforts being undertaken by organized labor, the chances of Senator John F. Kennedy being the next President of the United States are improved. Labor is backing the Massachusetts Senator.

As nearly everyone knows there is a small percentage of labor that is corrupt, but this number has hurt the organized movement with many people who do not belong to unions. When the McClellan Committee was conducting its searching into some of the corrupt and horrible practices of some crooks that had infiltrated into the union labor movement, 343 of the 1,525 witnesses before the McClellan Committee took the Fifth Amendment.

Senator John J. McClellan of Arkansas and his committee colleagues, and the committee's chief counsel, Robert F. Kennedy, brother of the Democratic presidential nominee, heard these 343 witnesses declare, "I refuse to answer on the grounds that a truthful answer might tend to incriminate me." One of the worst of the characters was Jimmy Hoffa, head of the Teamsters' Union, who was shown up as having all kinds of gangster connections.

"Not Typical"

But Hoffa is not typical of the Union movement. But the top drawer leaders of the AFL-CIO like President George Meany and Vice President Walter P. Reuther are all out to elect Senator Kennedy, members of Congress, state and local officials, particularly members of the various state legislatures, who are friendly to the aims and ideals of unions and union leaders.

Labor is greatly disappointed in the 86th Congress. On paper this Congress, which recently ended its special session, was supposed to be the friendliest of all toward labor. And it might have been except for the crookedness and corruption exposed by the McClellan Committee via the gangsters and racketeers that had infiltrated into a segment of the movement during the two years of intermittent hearings.

A survey by the Congressional Quarterly of action on 76 major AFL-CIO legislative proposals affecting unions and working people directly, showed that only seven of these proposals were passed by Congress and sent to President Eisenhower to sign. Two of these were vetoed.

Labor On the March

The biggest blow of all since the late Senator Robert A. Taft of Ohio steered the Taft-Hartley law to passage in the 1947 Republican controlled Congress, came with the enactment of the Landrum-Griffin bill of 1959.

The second biggest setback involving labor legislation was the failure of Congress, controlled by the Democrats almost two-to-one, to pass the Kennedy labor bill which would have raised the minimum hourly wage across the country to $1.25, and would have extended coverage to an additional 5,000,000 workers, like department store clerks.

But labor is out to recoup some of its lost prestige and is willing and plans to spend huge sums of money in nearly every State and nationally. The biggest door bell ringing and knocking campaign this country has ever known is going to be done before the first heavy frost falls in many parts of the country.

Among other things Labor leaders are extremely anxious to get Congress to pass in the 8th Congress a Federal law that would nullify all state right-to-work laws. Power breeds power is an old, but true saying as far as some of the labor bosses are concerned. These bosses are seeking special privilege and special legislation for immunity, according to some members of Congress who are not afraid to stand up and talk back in no uncertain terms to the Reuthers, Meanys, McDonalds, Hoffas, etc.

Laws in 19 States

Just as every man in the United States is privileged to worship as he pleases in our country, so should it be the privilege of every individual to join unions or not to belong to unions.

There are 19 states that have right-to-work laws. In other words, in these states it is not compulsory that a person has to belong to a union as a condition to earning a living. These States are Alabama, Arizona, Arkansas, Florida, Georgia, Indiana, Iowa, Kansas, Mississippi, Nebraska, Nevada, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Utah and Virginia. (Louisiana has a law applying only to agriculture workers).

Eight states have amended their constitutions to protect their laws from future legislatures, who might hurriedly pass repealer laws. By putting the right-to-work measure in the state constitution, the people would have a chance to vote on any repealer proposal that might come up in the future.

Senator Harry F. Byrd of Virginia, in the closing days of the dog-days sessions, rose to warn his Senate colleagues that the 1960 Democratic platform adopted at Los Angeles in July a plank that makes the direct and unequivocal pledge:

"We will repeal the authorization for right-to-work laws, limitations on the right to strike, to picket peacefully, and to tell the public the facts of a labor dispute, and other anti-labor features of the Taft-Hartley Act and the 1959 (Landrum-Griffin) Act."

Byrd's Position

The fact that the labor chieftains got the Democratic party to make such a pledge to repeal the authorization to the states for right-to-work laws, shows the power that labor holds over the Democratic party.

This would be bad for the country. Most fair-minded persons probably would concur in this statement. As Senator Byrd said: fulfillment would be a massive victory for the big name labor bosses.

The distinguished Virginian, who has refused to endorse the Democratic ticket thus far, told his colleagues: "This is an appropriate time for me to say I shall oppose repeal of authorization for right-to-work laws with all my strength and ability.

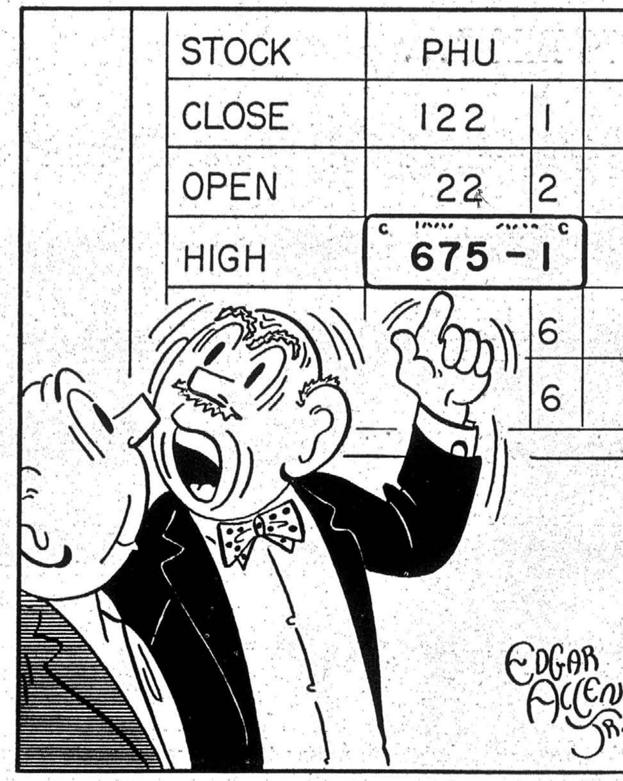
"I regard the right to work as I do the right to life, liberty and the pursuit of happiness. It is the right, the responsibility, and the duty of the States to protect this fundamental freedom.

"The effect of this pledge would be national recognition of union membership as a condition of getting and holding a job, and to destroy State laws and constitutional provisions standing in the way."

Incidentally, there is nothing in the laws of these States with right-to-work laws that prohibits or impedes collective bargaining. Nor is there anything in those laws that forbids union affiliation. As the senior Senator from the Old Dominion State pointed out, the laws of these states protect the privilege of union membership for those who wish to join.

"The effect of the Democratic platform pledge taken in Los Angeles," said Senator Byrd, "would be to destroy two great principles on which this nation is founded — individual liberty and States rights."

[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.]



"Who's the comedian who put this automobile license plate up here?"

New World Bank Directory Issued

Reflecting a high level of business activity and the resulting heavy demand for funds, loans outstanding at U. S. banks jumped $12.6 billion between June, 1959, and June, 1960, to a record $143.2 billion. So reports the Final 1960 Edition of the Rand McNally International Bankers Directory (the 169th edition since 1872).

Total deposits, however, rose only $3.6 billion during the 12-month period to $252.4 billion. To obtain funds to make loans, therefore, the nation's banks reduced their holdings of U. S. Government securities by $69 billion to $61.8 billion, lowest level in the postwar era.

As a net result of these and other developments, total U. S. banking resources increased $6.5 billion to a whopping $284.1 billion. The bankers' *Blue Book* also reports that at midyear there were 14,058 banks and 10,488 bank branches in the U. S. That was 14 fewer than a year earlier, but 590 more branches. While a substantial number of new banks were opened during the period, this was more than offset by the continuing merger trend.

The Rand McNally International Bankers Directory — more than 3,000 pages in all—contains current data on all banks in the U. S. and free foreign world, a selected list of investment bankers and brokers, plus a wide range of general information relating to finance and the financial community.

COMING EVENTS

IN INVESTMENT FIELD

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, 1960 (Minneapolis-St. Paul, Minn.)
Twin City Investment Women's Club meeting and election at The Midway Motor Lodge, St. Paul.

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. 4, 1960 (Detroit, Mich.)
Bond Club of Detroit Annual Fall Outing at the Lochmoor Country Club, Grosse Pointe Woods, Mich.

Oct. 5, 1960 (New York City)
New York group of Investment Bankers Association of America annual dinner at the Waldorf-Astoria.

Oct. 6, 1960 (Chicago, Ill.)
Investment Analysts Society of Chicago annual outing at the Itasca Country Club.

Oct. 10-13, 1960 (Pasadena, Calif.)
National Association of Bank Women 38th annual convention at the Huntington-Sheraton Hotel.

Oct. 11, 1960 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 12, 1960 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Oct. 13, 1960 (Cincinnati, Ohio)
Ohio Valley Group of Investment Bankers Association meeting.

October 15, 1960 (New York City)
Security Traders Association of New York annual Fall Dinner Dance in the Grand Ballroom of the Biltmore Hotel.

Oct. 28-29, 1960 (Detroit, Mich.)
National Association of Investment Clubs 10th anniversary convention at the Sheraton-Cadillac Hotel.

Oct. 28-30, 1960 (Hot Springs, Va.)
Southeastern Group of Investment Bankers Association meeting.

Nov. 3-4, 1960 (Miami, Fla.)
Florida Security Dealers Association annual convention at the Key Biscayne Hotel.

Nov. 10, 1960 (Minneapolis, Minn.)
Minnesota Group of Investment Bankers Association meeting.

Nov. 17-18, 1960 (Chicago, Ill.)
American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.