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Editorial AS WE SEE IT

The tumult and the shouting have died away. We have chosen a new President whom we all can and must salute as the Chief Executive of the whole nation, and hope he may be able to lead us safely along the way, if not out of the wilderness. This latter chore, particularly in the present circumstances, we are afraid, is almost too large and violent for escape to be likely in a short span of years no matter how wisely and well we are led. As to the campaign oratory we can only pray with the poet:

> *"For frantic boast and foolish word,*
> *Thy mercy on Thy people, Lord."*

In any event, we suspect that the course of the Kennedy Administration will be determined by future events and by what seems to the politicians to be the trend of public opinion as much as, if not more than, by any party platform or the assurances of candidates during the hectic months preceding the election—although, of course, party and personal predilections will play their part without doubt. It would be a mistake to suppose that the influence of popular thought and the susceptibility of the rank and file to the blandishments of shrewd political leaders are felt only at election time.

The Facts!

A glance at recent history will point up the facts too clearly to be missed or misunderstood. Of course, it is common knowledge that Franklin Roosevelt was elected in 1932 on a platform drafted largely by the old sage, Carter Glass, and on the strength of a campaign which for the most part seemed in harmony with the party platform. It is equally well known that once in office the new President in a degree probably without precedent unashamedly tossed away all that he and the party had said prior to election day, and proceeded to place the country on a course from which it has not even yet been persuaded to turn away—and with the approval of the great rank and file, it must with deep regret be said. The long list of policies and meas- *(Continued on page 23)*

Plus and Minus Factors in the Economic Outlook in This Decade

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

Substantial and sustained economic expansion in the Sixties with a real GNP of close to $750 billion by 1970 is forecast providing the government abstains from a forced growth program. The author foresees: (1) a 4% per annum growth rate; (2) availability of ample capital funds—particularly for housing and construction; (3) pension funds going into mortgages; (4) no significant change in interest rate level; and (5) recessions no worse than in the Fifties. Savings without inflation is termed the heart of our growth process. Cites clues in the past "fabulous" decade as to probable economic performance in years ahead.

The events of this year to date have forced economists to take a more sober view of general economic prospects. Last December, when the various professional societies of economists held their meetings in Washington, optimism about the immediate and longer-run economic outlook ran high and most projections did tend to soar. However, the failure of our national economy to move ahead with the expected vigor this year, and the sidewise movement of general economic indicators, has shaken confidence in the buoyancy of the general business outlook not only for the immediate future but for the next several years. In any event, the expression "soaring sixties" seems somewhat less appropriate today than it seemed earlier in the year. In these precarious days with hostile dictators rattling their intercontinental missiles under American noses on Manhattan Island, it must seem a bit academic to be discussing the economic outlook for this country in the next 10 years. Perhaps I should add a footnote to my title saying that my views are subject to the assumption that planet earth manages somehow to survive the next decade.

James J. O'Leary

My paper, in outline, will cover the following topics: (1) a review of the growth of our national economy in the "fabulous fifties," to see what clues we may have during this period to aid in understanding prospects for the sixties; (2) a discussion of the forces likely to be affecting our national economy and the prospects in the sixties; and (3) a discussion of some of the dangers which I believe our national economy will face in this decade ahead of us.

The Record of the "Fabulous Fifties"

The Growth of the National Economy. First, let us take a look at the growth achieved by the American economy during the Fifties. In 1949 the Gross National Product of the United States, that is, the total value of goods and services produced in the country that year, amounted to $258 billion. By 1959 the GNP of the U. S. had risen to $482 billion, or an increase in 10 years of 87%. This rise in GNP was at the very high rate of 6.4% compounded. But, it should be realized that the higher figure in 1959 reflected in large measure the higher price level at that time. During 1949 to 1959 the general price level rose 22%. If we express the GNP for both 1949 and 1959 in terms of the general price level prevailing in 1959, we find that the growth of the American economy in "real terms" was from $328.4 billion in 1949 to $482 billion in 1959, or 47%. This figures out to be an average annual real growth rate of 3.8% compounded, which is comparatively high in relation to past decades. If we can manage to do this well in the next decade, the term "soaring sixties" will be justified.

Two other measures of economic growth in the Fifies of interest here are worth noting. Again expressed in real terms, i.e., in terms of 1959 prices, the total of personal con- *(Continued on page 23)*

PICTURES IN THIS ISSUE—Candid photos taken at the Annual Dinner of the CORPORATION BOND TRADERS ASSOCIATION OF NEW YORK appear in Pictorial Insert.

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

Continental Insurance Company—J. Irving McDowell, Partner, McDowell, Diamond & Co., Providence, R. I. (Page 2)

Victoreen Instrument Company—Henry J. Low, Manager, Institutional Research Dept., Gude, Winmill & Co., New York City. (Page 2)

J. IRVING McDOWELL

Partner, McDowell, Diamond & Co., Providence, R. I.
Members: N. Y. Stock Exchange, Boston Stock Exchange and other principal Exchanges

Continental Insurance Company

Basically, in the type of market which we are having today one must separate what in his opinion are the undervalued securities from the over-valued securities. While this choice is not easy it is my feeling that Continental Insurance Company selling at 47 has the elements of being defensive as well as offering an opportunity for appreciation.


J. Irving McDowell

As we all know, insurance is an indispensable part of our business and family life. We dare not be without it, and unlike industrial corporations, it is not probable that anything will be invented to displace it. Due to the fact that the premium income is invested in a widely diversified list of bonds, preferreds and common stocks they are in a sense an investment trust with most of the fire and casualty companies selling at wide discounts from their liquidating values.

The reason for this discount is readily apparent when one looks back to the years 1956-1957-1958 when these companies were hit by a combination of unfavorable factors which initially showed up in the form of severe underwriting losses instead of a normal underwriting profit. For the best managed companies, past experience has been, however, that whenever these periods have occurred, corrective measures have then been instituted, and over the last 30 years the unprofitable intervals have been subsequently followed by periods of underwriting profits ranging in length from 8-13 years.

Among the insurance underwriters Continental Insurance is one of the better regarded companies, having started in business in 1853. It comprises what is known as the American Fore Loyalty Group and has the distinction of being the leading fire and casualty group in the United States from the standpoint of consolidated assets and value of premiums. As to the volume of premiums written, only two other companies write larger amounts of fire and casualty business.

With a book value of $62.10 and a liquidating value of $75.72 per share Continental Insurance currently is selling at a discount of 37% from its liquidating value. When one considers that, in addition to its bond portfolio, the company owns a selected list of stocks in our best known corporations, it holds many of the elements of a so-called "growth" stock selling at a considerable discount. Many investors in contrast have recently been paying substantial premiums for growth.

Its stockholdings cover an extremely wide range and are too numerous to mention but, to name a few, Continental Insurance owns 146,384 shares of International Business Machines, 123,300 Dupont, 137,900 Eastman Kodak and 280,000 Aluminium Ltd. and so on.

Estimated are that the operating income for 1960 will range in the neighborhood of $5.00 per share with $1.50 coming from its underwriting activities and about $3.50 from invested income. If such earnings are realized the stock at present prices will be obtainable for less than 10 times prospective earnings.

Continental Insurance Company has over the last several years been engaging in a program of acquisitions, including Firemens Insurance of Newark in 1957, and the merger of its running mate Fidelity-Phenix in 1959. While many of the fire and casualty companies have already entered into the life insurance business, the Continental Insurance management has been slow to enter this field because of the exorbitant price-earnings ratio prevailing on practically all of the stocks of the life insurance companies. It is fully cognizant, however, of this current trend in the direction of a policyholder purchasing his entire insurance requirements from one agent on a package deal basis and on a convenient monthly budget plan. It can be expected to follow this trend.

There are now 11,998,290 shares outstanding, currently paying $2 per share for a yield of 4.2%. It is reassuring to note that dividends have been paid continuously since organization in 1853 and it would be hard, in the writer's opinion, to find such a "blue chip" stock as Continental Insurance selling at such a discount from its actual as well as its potential value from both the standpoint of assets and earnings.

To summarize the Fire and Casualty Group as a whole has already completed a bear market, and from all one can see has now turned around and entered a bull market—in marked contrast to the bear market which is now in progress in the Dow-Jones averages and in many other individual issues. For the investor seeking sound values Continental Insurance could well be bought by investment accounts either for cash or as a replacement for other stocks with less promising prospects either defensively or offensively.

HENRY J. LOW

Manager, Institutional Research Dept., Gude, Winmill & Co., New York City
Members New York Stock Exchange

Victoreen Instrument Company

VICTOREEN INSTRUMENT CO., popularly known as the world's first nuclear company, has emerged as one of the leading designers and producers of a varied line of radiation detection equipment for monitoring fallout and leakage of stray radiation to be used primarily for protection of nuclear reactors and power stations. Growth has been truly remarkable in the rapidly expanding field of monitoring and detection devices for the nuclear industry and sales are estimated to approach $100,000,000 this year, representing an increase of almost 70% over 1959.


Henry J. Low

Founded in 1931, the company is engaged in the design, development and manufacture of a complete line of instruments used for measuring and controlling radio activity and nuclear fission, atomic reactor control equipment, reactor and water supply monitoring systems, specialized miniature electronic component parts, voltage regulator tubes, special purpose vacuum tubes, infrared detection devices, X-ray dosage equipment for use in hospitals and clinics, and a variety of other highly specialized products. The company's X-ray therapy instruments are used as the only official standards of measurements, calibrated in roentgens, by the U. S. Bureau of Standards in Washington, D. C. VICTOREEN was the first company to enter the field of nuclear measuring instruments and the only commercial supplier of radiation instruments for radiation monitoring and personnel protection to the Manhattan District, Atomic Bomb Project, Oak Ridge, Tennessee, during World War II. In addition, it was also the only concern which supplied radiation equipment used at the first atomic bomb test at Bikini in 1946, and the following year it accounted for about 60% of all radiological instruments used at the second atomic bomb test at Eniwetok. Since the latter test the company has furnished other types of nuclear measuring instruments made according to government specification for utilization at other atomic bomb explosions. Last year the company was awarded a contract to build the measuring and monitoring equipment for the "Savannah," the first nuclear powered merchant vessel. It is interesting to note that the "Explorer," the first man-made satellite, and also "Explorer IV," the later satellite to be placed in orbit, use two VICTOREEN components, namely Hi Megohm resistors and electrometer tubes.

In 1959 the company installed two newly developed monitoring units to guard the water supply of Philadelphia against traces of radioactivity on a 24-hour basis and several other large cities are currently considering installation of similar equipment. Some years ago the original monitor was supplied by the company to the city of Ann Arbor, Mich., when the University of Michigan opened its nuclear research laboratory and it became imperative that constant watch had to be kept on possible leakage of radiation.

In February, 1957, a new management team with an outstanding record of accomplishments in its former activities was appointed to guide the company's fortunes. Under the dynamic leadership of its highly regarded president, Mr. David H. Cogan, VICTOREEN immediately embarked upon an aggressive acquisition and product diversification program and it also strengthened its financial position considerably through sale of $700,000 convertible bonds and private placement of 65,000 common shares. In September, 1957, Jordan Electronics, Inc., of Alhambra, Calif., manufacturer of nuclear radiation instruments and industrial radiation detection equipment, was purchased; in May, 1958, Kolux Corp. of Kokomo, Ind., an estab-

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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.)

Use of Leading Indicators And Diffusion Indexes

By Robert W. Adams,* *Manager, General Economics Department, Standard Oil Company, N. J.*

Just how accurate forecasters and their latest forecasting techniques are to some is a moot question. To settle the question for laymen and professionals, Mr. Adams explains the development and usefulness of lead indicators and diffusion indexes in the light of his department's experience and the economy's actual performance. Applying his knowledge to the economy's future direction, Mr. Adams sees the indicators, other than those affected by the steel strike, suggesting a downturn in the year or early 1961, and an earlier downturn if all the indicators are used. Caution is expressed, however, against the mechanical application of any single forecasting technique, and the fact that the forecast picture can change with new developments.

One of the most challenging problems confronting the business analyst is to forecast the "turning points" in the business cycle. Over the years, a great deal of work has been done along many different lines to find an answer to this problem, but it still remains a matter of great practical difficulty.


Robert W. Adams

Of all the various forecasting techniques, the analysis of leading indicators and diffusion indexes is the one most specifically directed at forecasting and diagnosing turns in the business cycle. The forecasters who in recent years have been most successful in calling business cycle turns have been those who have placed considerable reliance on some version of this approach.

These brief observations are sufficient, I believe, to raise a number of questions, about which I should like to organize my remarks. First, what is meant by the leading indicator approach to forecasting? Second, what are its shortcomings that have led many practical forecasters to be highly skeptical of it? Third, despite its shortcomings, what is the best way to use the approach?

Simple Rationale

First of all, the rationale underlying the leading indicator approach is simple. It assumes that our complex and diverse economic system is subject to broad sweeps both up and down. It also assumes that when there is a change in direction in this broad sweep—as at a business cycle peak—the turning period extends over a considerable period of time. As a consequence, some sectors of the economy (and the statistical series measuring them) have their turning points in advance of the general turning point, some roughly coincide, and some lag. No single series is consistently in the position of the leader, consequently it is necessary to observe a group of series in order to recognize the first shadows thrown by a forthcoming general turning point.

The use of statistical indicators for forecasting purposes is, of course, not new. Fashions change, and if an earlier generation did not have "indicators," it had its "barometers" instead. Pig-iron output was a "barometer" of production; freight-car loadings, of activity in distribution; and interest rates, of monetary conditions. Then as now, there was no general agreement on which barometers were best and as one writer put it, a trifle quaintly, "Merchants of the newer school would substitute composite indexes of production . . . for one in pig-iron alone . . ."

Past Failures

By sad experience the earlier forecasters learned that individual "barometers" were highly unreliable. The ill-fated speculation, business, and money curves of the Harvard Economic Service were the results of an attempt to combine theory and applied economic statistics to the problem of constructing indicators which might provide reasonably reliable forecasts. The Harvard barometers became discredited in the eyes of businessmen and economists during the Great Depression of the '30s. However, the failure was due not to a breakdown in the construction and behavior of the indicators, but rather to a misjudgment of the other factors in the situation which led their interpreters to ignore or misunderstand what the indicators were saying.

After the failures, or apparent failures, of the Harvard barometers, interest in indicators waned, and attention was directed at other techniques, particularly the sector analysis of gross national product. The current revival of interest in the field of leading indicators has stemmed, for the most part, from the results published by Dr. Geoffrey H. Moore in the National Bureau of Economic Research Occasional Paper No. 31 entitled "Statistical Indicators of Cyclical Revivals and Recessions." Dr. Moore's work in turn stemmed from an earlier Bureau study by the late Wesley C. Mitchell and Arthur F. Burns, recently Chairman of the President's Council of Economic Advisors, entitled "Statistical Indicators of Cyclical Revivals," published in 1938. The general method which Moore used was to select a sample of series, the turns of which tended to lead, coincide, or lag the turns of general business more reliably than do most series,

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OBSERVATIONS...

BY A. WILFRED MAY

AFTER THE ELECTION:

The 73 Days Ahead

Senator Kennedy stated last week that he would lose no time before announcing his Cabinet appointments; that by Dec. 1 over 100 other key appointees would be engaged in on-the-job training with their incumbent opposite numbers. This is in line with plans formulated by the Brookings Institute's "Interregnum Committee" headed by the able Robert Murphy, former Assistant Secretary of State. It is understood that the President-Elect's appointing timetable calls for a new Budget Director as his first high level designee, with the Defense and Treasury chiefs to follow within the next fortnight.

Such provision for training and briefing during the coming 73-day transition period is, of course, highy commendable. But it would also be constructive for the President-Elect to restate, with precision and completeness, his coming policies and programs. The victorious Candidate might well resolve the prevalent queries concerning some apparent inconsistencies between some Campaign statements and his Party's platform adopted at the Los Angeles Convention. Also he might clear up the feeling, as expressed in the New York *Times'* endorsing editorial, that, particularly in the fiscal area, he will act more conservatively post- than pre-Election.

The Promises That Candidates Live By

It is of course true, and ever more being taken for granted by the growingly cynical electorate, that holders of a preceding Campaign's "currency" of promises, traditionally get short-changed by post-Inaugural performance. But such "before and after" comparison of "the record" leaves a material omission, the interval between Election and Inauguration.

Candidate F. D. Roosevelt's pre-Election solemn promises for a Sound Currency and against Devaluation did not actually await their widely realized black-and-white violation which ushered in "First 100 Days of the New Deal," following his March 3, 1933, Inaugural. The preceding Interregnum period of that time, (which at that time covered 121 days), was a "grey period" wherein F. D. R.'s back-tracking began.

Accelerating the Timetable

Among those in the inside "know," were Carter Glass, who turned down F. D. R's invitation to become Secretary of the Treasury because of his inability to get a renewed pledge against inflation; and William Randolph Hearst who was told by the President-Elect early in January, 1933, that if the fall in commodity prices could not be checked "we may be forced to an inflation of our currency," possibly by decreasing the amount of gold in the dollar or by government buying of silver.

These portents marked the halfway station on Roosevelt's ride down the road to monetary repudiation and inflation. Had the public been *then* taken into the President's confidence, they would have been less upset over the post - Inaugural suspension of dollar-gold redemption; its daily price-fixing, via playing the "numbers game," in the President's bedroom over the breakfast eggs and coffee; his scuttling of the London Economic Conference; and the rest of the steps sabotaging our monetary integrity.

We trust that in the international monetary area our new President-Elect, will not only reiterate the goal of stability, but also detail, as he so well started to do in his Oct. 30 speech, the definite measures for achieving a favorable balance of payments. Under the basic satisfactory circumstances of our international payments' current account, with our export surplus' further current rise; the required remedial steps are surely achievable. These include cutting our military occupation expenditures abroad, of $3 billion annually, reducing our foreign aid, on which Germany and others of our Western friends have already agreed to cooperate; and maintaining budgetary solvency at home. These items were all included in Senator Kennedy's prognosis. But the difficulties in the way of implementing them as with the potential injury to the entire NATO Alliance involved in elimination of our military contributions abroad; and with the political obstacles in the way of the New Administration's political ability to engage in budgetary discipline; make their detailed and specific reiteration by the new President necessary.

And the importance of our comparative interest rate to the behavior of foreigners' balances, renders necessary a reclarification of the Chief Executive-Elect's relevant cheap-money philosophy. The referred-to-speech of Oct. 30 seems to advocate continuation of a relatively high short-term interest rate, with a lowering of the price of long-term credit.

Another Crucial Policy

Another vital Democratic policy that requires clarification is the manner in which taxation and/or borrowing is to be used to pay for the trip to that *New Frontier*. The "Campaign Oratory" (which, it has been alleged, is not to be taken too seriously) comes in particularly pointedly here.

* * *

THAT MARKET EFFECT—SHORT- AND LONG-TERM

We firmly belive that, as in the consideration of other external events, the Election result's impact on the stock market's movements, at least over the short-term, is neither defineable nor forecastable. Confirming this negative conclusion is the content of the bevy of such silly and fruitless literature put out every four years. As in the proclivity for *seasonal* market prognostication ("In so-and-so past Septembers 'the' market has gone up or down"), these recitals are fruitless as they are silly. For example, in attempting Election timing, they disregard entirely, or at least pass over too lightly, the basis of the market's pre-Election day price level — usually point-wise, and always value-wise.

Our Own Safe Prediction

This we *will* predict; and with complete confidence: — whatever way the market goes over the next 73 (and following) days, whether up or down, the required "explanations" to fit will be readily found. (In the case of a rise, "of course," the new Administration spells "bullish" devaluation, and inflation, consumer spending from higher wages, etc. In the case of a market *fall*, the "explanations"—after the event—will likely emphasize the same, but now "bearish" prospects for devaluation, profit squeezing from the higher wages, increased taxation, and that ever-ready "investor loss of confidence."

With the convenient benefit of hindsight, either higher or lower capitalization of corporate earnings will be thus explained!

The State of TRADE and INDUSTRY

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

The recent emergence of a broad and active market for dollar deposits in Europe has added to the importance of the dollar as an international currency, according to the November Monthly Review *of the Federal Reserve Bank of New York. Perhaps paradoxically, the development of this Continental or Euro-dollar market has also somewhat reduced the importance of New York as an international lending center.*

Alan R. Holmes and Fred H. Klopstock, officers of the bank and authors of the special study, find that deposits come from European and other foreign commercial banks, among others, who are attracted by interest rates higher than those paid by the United States banks on time deposits or obtainable in New York on money market instruments of similar maturity. Interest is also paid on call deposits and deposits at short notice. The dollar has accordingly become more useful as a short-term investment medium and foreign banks probably hold larger dollar balances than they otherwise would. The volume of dollar deposits placed in this market is believed to exceed $1 billion.

Acceptors of those deposits, the Reserve Bank notes, include Canadian, European and Japanese banks as well as branches of United States banks abroad. International trade financing absorbs a large part of the dollars deposited. Having access to this relatively inexpensive source of funds, the accepting banks have been able to offer their customers rates well below either the commercial bank prime loan rate or the cost of acceptance financing in the United States. Among other major uses of these dollar funds are loans to securities dealers and brokers in New York. Foreign branches of New York banks obtain time deposits for use by their head offices while some foreign borrowers convert dollar deposits into their own currencies and employ them for loans and investments at home in their own credit and money markets.

One consequence of the Continental dollar market has been some decline in the New York's relative importance as an international lender—evidenced by a decline in recent years in acceptance and other credits extended by United States banks to British, German and Italian banks.

Abroad, the market has given an additional spur to the intermeshing of money markets throughout Europe by permitting banks to obtain funds that they may swap into other currencies. The emergence of the Euro-dollar market has thus made it more difficult for any one country to pursue monetary policies that fail to take international considerations into account. By the same token, the succession of interdependent short-term claims imposes risks of vulnerability, since the liquidity of each participant in the market becomes in part dependent upon the ability of the ultimate borrowers to meet their obligations.

A second article, "The Business Situation," points out that the economy hase been dominated through most of the year by business and consumer adjustment to the abatement of inflationary pressures and the dissipation of inflationary psychology. These developments have been associated with all-around ample capacity, ready availability of all kinds of finished goods and materials, and generally stable prices.

The over-all effect of changes in business practices and in the aggressiveness of consumer buying, has been to produce a gentle sag throughout much of the economy. This rather unspectacular period of adaption has continued through September and into October and may yet have some distance to go.

Understandably the repercussions of the many changes occurring in business and consumer spending had their most conspicuous influence on inventory accumulation. Following the conclusion of the steel strike of last year, inventory restocking commenced in December, considerably earlier than had been foreseen and, as 1960 began, shortages were much less severe than had been feared. Since then the rate of inventory accumulation has fallen sharply and some unintended additions to stocks may have taken place. Some of the factors underlying the weak demand for inventories may be structural in nature but the principal visible phenomenon is a closer adjustment of business inventories to the pace of business sales and orders. These developments reduce the possibility of later sharp reaction to over-extended inventory positions. Moreover, an upturn in sales, should it develop, is now more likely to be followed by a parallel movement in inventory levels.

Bank Clearings Up 18.1% Over Same 1959 Period

Bank clearings showed 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, Nov. 5, clearings for all cities of the United States for which it is possible to obtain weekly clearings was 18.1% above those of the corresponding week last year. Our preliminary totals stand at $30,463,933,807 against $25,789,749,429 for the same week in 1959. At this center there is a gain for the week ending Friday of 29.8%. Our comparative summary for leading money centers for last week were as follows:

Week Ended Nov. 5—	(000s omitted) 1960	1959	%
New York	$17,153,949	$13,211,000	+29.8
Chicago	1,323,467	1,317,913	+ 0.4
Philadelphia	1,260,000	1,072,000	+17.5
Boston	971,311	913,810	+ 6.3

"Iron Age" Believes It May Be Next March Before Any Real Change Affects the Steel Market

The steel market is marking time waiting for a major shift in business to bring about an upturn, *The Iron Age* reports.

Factors now influencing the market are of a spot, or short-term nature. Although the bottom has been reached, it may be next March before any real change affects the market, the national metalworking weekly says.

The magazine lists some of the short-term factors that will influence week-to-week steel operations:

Steel mills have been building up their own inventories of finished and semi-finished steel. This, in itself, has injected an inflationary factor into the operating rate. With inventory building at the mill coming to an end, the steel operating rate could drop off a few points.

Cutbcaks in automotive steel for November and December have hit any recovery hopes hard.

The volume of new orders from a wide range of general users has picked up recently. This tends to offset the set-back automotive orders.

In spite of the weak market, *The Iron Age* reports that steel prices are holding fairly well. There is some playing with specialty prices. Some corner-cutting in the grading of sheets and strip appears to be going on. Producers are absorbing more freight to get orders. There is shading of prices in the area of fabricated products.

But few concessions are being made on most standard products, the magazine comments.

For most products, the mill that can deliver first will get the order. This has placed strong pressure on mill scheduling and is giving steelmen headaches as they try to fill a rolling schedule and still promise fast delivery. Most mills are stocking more inventory than they had ever believed possible.

Construction, Big User of Steel, To Have Record Year in '61

Construction, the second largest user of steel, will hit a record $57.2 billion next year, *Steel* magazine reported.

Private construction will be mainly responsible for the 4% increase over this year's figure ($55 billion) and for carrying 1961 past the 1959 record ($56.1 billion).

Support for optimism in the 1961 outlook for steelmaking comes from still other steel consuming groups, the metalworking weekly magazine said.

One major producer in the automotive industry—largest user of steel—still believes that seven million cars can be sold domestically next year if consumer income continues to rise and consumer confidence is sustained.

Machine tool builders—also important users of steel—look for the fourth quarter to bring their first real upswing in business since early 1957.

Furthermore, two-thirds of the respondents to a *Steel* survey of executives who attended this fall's Machine Tool Exposition — 1960, say they plan to spend more next year for machine tools than they will this year. The average planned increase is 28%.

New orders for durable goods in September gained again after a strong rise in August. They represent future production. Orders ($14.7 billion) exceeded shipments ($14.3 billion) for the first time since last November.

The long awaited upturn in appliance sales appears to have arrived.

Factory sales of domestic gas ranges in September rose 10% above the August level. September sales of electric ranges reached the highest mark since March. And September sales of home laundry appliances surged 30% above the August level. But in most cases, sales still lag behind the year-ago level.

Steel warned, however, not to look for a sizable flood of steel orders before the first of the year and, possibly, through the first quarter of 1961.

Stockpiles of automotive steel (including steel in process) average out at the three month level, mill sources claim. Based on current projections (fourth quarter car output of 1.4 million to 1.5

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Tennessee Corporation

By Dr. Ira U. Cobleigh Enterprise Economist

A review of an unusual agricultural and industrial chemical company that has increased its dividends in eight out of the past ten years.

There's much economic discussion these days about the "profit-squeeze" — sales holding up but profits going down. Accordingly it's refreshing to look at Tennessee Corporation which has, for years, displayed way-above-average profit margins, an animated growth rate, and which shows no signs of compressed profits for 1960. On the contrary, this year will carry Tennessee Corp. into new high ground in net earnings and usher in an expansion program giving promise of a substantial further rise in profitability in future years. Yet withal Tennessee common can be bought at 14 times current earnings, a remarkably low ratio for a seasoned chemical equity.

Tennessee Corp. produces a quite diverse list of industrial and agricultural chemicals, together with copper, iron sinter and zinc concentrates. Of 1959 sales, 57% came from agricultural chemicals, 26% from industrial chemicals and 17% from metals. But the metal division made the highest relative contribution to operating profit, accounting for 29% of the total last year.

Two Main Plants

There are two principal operating plants. The one at Copperhill, Tenn. mines, treats, and upgrades copper bearing sulphide ores. It is one of the largest and lowest cost sulphuric acid producing plants in America, and turns out copper, iron sinter, zinc and several chemicals as other end products. Proven ore reserves at hand are sufficient for many years' operations at present rates.

To provide larger scale supplies of copper, Tennessee Corp. acquired, earlier this year, Miami Copper Co. for $3.2 million in cash and 151,517 shares of Tennessee common. At the same time a royalty interest in the Miami mines was sold to institutional investors for $15 million. Together with interest, this sum is repayable from 27% royalties on the production of the two Miami mines. Repayment should be completed within five years. After that, Tennessee will own the remaining reserves. Meanwhile the arrangement provides some earnings and significant tax benefits since royalty payments are not taxable income, and all costs of mine operation may be deducted. Present Miami open pit ore reserves of about 26.7 million tons may be substantially expanded by leaching operations later on.

The second major plant at East Tampa, Florida is one of the country's leading producers of triple superphosphates. These make more potent and swifter acting fertilizers than just plain phosphates, and the demand for them is insistent, and has been rising at the rate of about 15% a year. At East Tampa, the company also produces phosphoric acids and "Di-Mon," an ammonia-phosphate fertilizer base with high plant-food content.

Both the demand for the foregoing higher powered fertilizer elements and the attractive profit ratios at the East Tampa plant have promoted its substantial expansion. The "Di-Mon" plant facility will be doubled to 200,000 tons annually; there will be a new ammonia plant (100,000 tons a year) and a 50% expansion of phosphoric acid production capacity. This all adds up to a major capital improvement program involving $25 million to be laid out in the next 18 months. The management must feel very bullish on future profit potentials here as this total outlay, in less than two years, equals total plant capital expenditures for the past eight years. The company is very well fixed financially and can supply most, if not all, the money required, from internal sources.

About phosphate supply, the company owns substantial reserves in Florida, but these are being held for the future. At the moment it is as economical to buy phosphate from others, at favorable rates now prevailing, as to mine the company-owned reserves.

In addition to the two main manufactories listed above, the company owns and operates fertilizer and chemical plants in Indiana, Ohio, Alabama and Georgia; and there's a plant in Connecticut turning out finished copper in plate, sheet and rolled form.

Attractive Profit Margins

Some converters of raw materials into chemicals are not too efficient in the process. Tennessee Corp., however, would rank among the best in its field in low cost up-grading of mineral elements, and the dynamic selling of end products at rewarding prices. For example in 1959 the company showed a pre-tax profit margin of 23½% and carried over 12.6% of sales into net income. Putting the matter in another way, in the nine year period 1951-1959 inclusive, company sales increased 54% and net profits 170%. That's quite a remarkable tribute to timely plant investment, effective selling and top-flight over all management. Sloppily run companies don't turn in statistics like that!

Financial position of Tennessee Corp. leaves little to be desired. Net working capital at the 1959 year end (making allowance for the Miami Copper financing) stood at $34.2 million. There is no visible need for company financing in the immediate future, as cash flow and retained earnings appear adequate for capital expenditures now projected. The capital structure is devoid of debt or frills, consisting merely of 3,858,361 shares of common stock listed on the New York Stock Exchange, and now selling at 42. The indicated annual dividend rate is $1.40, comfortably covered by per share net of $2.60 last year and perhaps $3.00 for 1960.

This year started out very well with sales for the first six months rising 13% (over 1959) to reach $49.7 million and per share net moving up for the period from $1.37 last year to $1.64. Sales should cross $80 million for the first time in 1960, accompanied by net earnings of above $10 million; also new high ground.

Stockholders Well Treated

Stockholders have been well treated by Tennessee Corp. Dividends have been paid for 20 years in a row, and the stock was split 2 for 1 in 1954, and again 2 for 1 in 1959. Corporate practice has been to distribute about 50% of net in cash, and to pay occasional modest stock dividends in addition. (There were 3% stock dividends in both 1955 and 1956.) Cash dividends in the past decade have been increased eight times, rising from 51 cents a share in 1951 to $1.375 for 1960. The market price for shares (adjusted for stock dividends) has ranged from (1954 to date) a low of 17 to a high of 47. In a market characterized by price dips during 1960, in many instances of 40% and 50%, Tennessee Corp. common deserves considerable credit for its price stability. Its action gives support to the theory that stock prices are the slaves of earning power; and the best way to keep a stock from going down is to keep its earnings moving up.

Something should be said about the quality of research at Tennessee Corp. As an instance — "Di-Mon," the highly successful ammonium phosphate combination is an effective tribute to Tennessee Corp. research; and the company is constantly on the lookout for new markets and new product applications.

There is one slightly baffling element in Tennessee Corp. common, and that is the price/earnings ratio. If it's a chemical stock why doesn't it sell at 18 to 20 times earnings? The answer would seem to lie in two directions. First agricultural chemicals such as phosphates, never seem to be regarded as highly by investors as industrial chemicals — chlorine, alkalis, and petrochemicals. Second, much of Tennessee business depends on the price of copper and a single cent variation in a pound of copper can create a 5 cent change in net per share on Tennessee common. Moreover, since the company has sizable "wasting assets" in its reserves of copper and phosphate, it takes on some of the investment characteristics of a mineral extraction company.

However this may be, an enterprise that can net 12½% of sales, that can show operating earnings of over 30% on gross plant investment, and increase its net earnings 170% in nine years—such a company has all the earmarks of a stock that can move forward smartly in a stock market that displays any sort of enthusiasm. With so many tired companies and tired stocks moping on the market these days, it's refreshing to see an issue with a sprightly look. Making money in this stock may not be a Tennessee waltz, but increased dividends have always been sweet music to stockholders.

With Saunders, Stiver

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Matthew A. Jenkins has joined the staff of Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange. Mr. Jenkins was formerly with Paine, Webber, Jackson & Curtis.

With Eastern Investment

(Special to The Financial Chronicle)

MANCHESTER, N. H.—Clyde K. Woods is now connected with Eastern Investment Corporation, 45 Market Street. He was formerly with the First Maine Corporation and Walter J. Hood Co., of Portland.

Balog Named By Paine, Webber

Paul E. Balog has been appointed manager of the municipal bond trading department of Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York Stock Exchange, it was announced by Joseph M. Luby, manager of the firm's national municipal bond department. Mr. Balog will be responsible for secondary market operations between the firm and other members of the trade and between the New York office and the firm's 44 branches.

Mr. Balog was formerly in the municipal bond department of Dean Witter & Company.

With B. C. Christopher

(Special to The Financial Chronicle)

SPRINGFIELD, Mo. — Boyd A. Griswold is now connected with B. C. Christopher & Co., 1664 East Sunshine Avenue. He was formerly with Reinholdt & Gardner.

National Securities Branch

SEATTLE, Wash. — National Securities & Research Corporation has opened a branch office at 411 Seneca Street under the direction of Ronald K. Adams.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has been less active during the past week. Its tone has been firm to a degree verging on strength despite the intense political activity and the distractions attending a Presidential Election period. Nonetheless, investor interest has been prevalent and evidence of considerable daily business has been easily discernable.

Prices Higher

New issue volume was light and relatively unimportant as is always the case during this particular holiday period. Generally, the bidding for the few new issues which came to market was strong. The level of new issue bidding was up at least 10/100ths as against the level a week or two back.

However, the *Commercial and Financial Chronicle's* high grade bond yield index represents an average market rise of only ⅜ths of a point. Since this yield index represents actual secondary market offerings it does not give immediate effect to strong new issue bidding. By their nature, yield indexes must be behind the market somewhat, and consequently they are usually of limited value. A week ago the yield index stood at 3.29%; currently the index stands at 3.261%.

Inventory Static

Although the state and municipal bond business has been fairly active during the past week, it has been less active than it was during the previous few weeks. Whereas the street float or inventories as represented by the *Blue List* dropped considerably a week ago, there has been little volume change since last reporting.

On Nov. 2, the *Blue List* municipal bond total was about $290 million, down from about $350 million the week previous; on Nov. 9 the figure is reported at $295,506,500. This represents a reduced business tempo since dealers merely held their own against relatively light new issue volume. However, in view of the attendant election uncertainities, this performance seems favorable.

Recent Financing

One of the most interesting issues to come to market during the past week involved the University of Kentucky. On Nov. 3, $8,000,000 building revenue (1962-1986) bonds were awarded to the Bear, Stearns & Co. group following spirited competitive bidding. The bonds were scaled to yield from 2.25% to 4.00%. Investor reception was enthusiastic and the account was closed out on Friday. These bonds are payable from funds to be derived from the collection of a student registration fee. The bonds are further secured by a statutory mortgage lien upon the project.

During the next few years it seems likely that the importance of college dormitory and related project financing will be enhanced. This type of investment has become better known to investors and consequently the market is becoming generally more receptive.

The $10,824,000 Trenton, New Jersey (1961-1985) issue which came to market as we were going to press a week ago developed into a highly successful underwriting. The Bankers Trust Co. group reported the issue a sellout within a brief period of reoffering. As is the case with most of our state capitals, Trenton bonds are normally in demand at prices which seem relatively high. With but few exceptions, Trenton offerings have met with widespread investor reception over a long period of years.

Last Thursday, the City of Santa Clara, California sold two issues of bonds. $3,655,000 general obligation (1961-1985) bonds were sold to a group headed by The First National City Bank of New York which included Lehman Brothers, F. S. Smithers & Co., and the First of Michigan Corp. The bonds were scaled to yield from 1.75% to 3.60%. At last report the balance in account was less than $2 million.

Santa Clara is the center of a rapidly growing wealthy agricultural area located southeast of San Francisco. The credit is highly regarded. At the same day Santa Clara, California also sold $1,600,000 sewer revenue (1961-1985) bonds. This issue was awarded to the group headed by Halsey, Stuart & Co., Inc. and John Nuveen & Co. The bonds were scaled to yield from 1.75% to 3.80%. Thus far the issue is about 20% sold.

There is rarely a week that goes by without the sale of an important New York State school district issue. This week Nov. 3, Oyster Bay and North Hempstead UFSD No. 15, New York awarded an issue of $2,010,000 (1962-1990) bonds to a C. J. Devine & Co., John Nuveen & Co., Ira Haupt & Co., Lee Higginson Corp. group. The bonds were scaled to yield from 2.00% to 3.85%. The current balance in account is a little over $1,000,000.

Also on Nov. 3 the City of Minneapolis, Minnesota awarded $1,500,000 (1960-1980) sports area general obligation bonds to a joint account involving The Northern Trust Co., The First National Bank of Chicago, and City National Bank and Trust Co. of Kansas City. This issue was well received by investors with but a small balance remaining at present.

Another New York School Award

On Nov. 7 another New York State school district issue was up for competitive bidding. Bethlehem and New Scotland, Central School District No. 6 awarded $3,750,000 (1961-1989) bonds to a group headed by Halsey, Stuart and Co., George B. Gibbons & Co., B. J. Van Ingen & Co., Ira Haupt & Co. and several others. The bonds were scaled to yield from 1.70% to 3.70%. The current balance is reported to be $1,715,000.

This school district is south and west of Albany. Up-state school districts are particularly popular with investors since they are in lesser supply than are Long Island school district bonds. New York State's generous allocation of funds to its school district has gradually strengthened this class of credit.

Yesterday (Nov. 9) an issue of $12,000,000 State of Mississippi general obligation school (1961-1980) bonds was awarded to the Chase Manhattan Bank group in competitive bidding. The bonds were scaled to yield from 1.60% to 3.40%. Initial investor interest in this issue was considerable. At present the issue is reported sold through 1972. Bank portfolio interest is indicated.

Dollar Bonds Strong

During the last reporting period toll road issues and other revenue bonds have shown further improvement. On Nov. 3, the *Smith, Barney & Co.* toll road bond yield index was reported at 3.84% the yield average was slightly reduced from 3.85% the previous week; this represents an average market gain of about ¼ of a point.

Most of the toll road projects have reported very favorably for September and October, after a record breaking summer peak. Net revenues are substantially up as against a year ago in almost all instances. Illinois, Indiana, Connecticut, Kentucky, Massachusetts and others continue to show substantially better net earnings, to mention but a few.

Bond Issue Approvals

As we near press deadline, it is apparent that many of the $3½ billion bond issues up for vote on Election Day are being overwhelmingly approved. *New York State* voters approved $75 million bonds for park and recreation areas by a three to one margin. *Philadelphia* voters have apparently approved three proposals totaling $47,250,000 of bonds by a more than two to one margin. *Kansas City, Missouri* voters have approved an issue of $75 million sewer revenue bonds by a wide margin.

Jacksonville, Florida voters have approved $25 million school bonds by better than three to one. *Cincinnati, Ohio* has approved a $17 million bond issue for a general hospital. *St. Louis, Missouri* voters disapproved a $29,535,000 school bond issue as a ⅔s plurality was required for passage in this instance.

California's $1,750,000,000 water bond issue was trailing by more than 200,000 votes with half the state's precincts in as we go to press. The *State of Illinois* voters appear to have approved $345,000,000 University and welfare institution bonds. The state general Assembly must now approve. *Kentucky* voters have approved $100,000,000 of highway, bridge, tunnel and park bonds. *Oregon* voters have approved $135,000,000 war veteran loan bonds. A more complete report will be given next week.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.70%	3.55%
Connecticut (State)	3¾%	1980-1982	3.35%	3.20%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.25%	3.10%
New York (State)	3%	1978-1979	3.15%	3.00%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.90%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.20%	3.05%
Los Angeles, Calif.	3¾%	1978-1980	3.70%	3.55%
Baltimore, Md.	3¼%	1980	3.40%	3.25%
Cincinnati, Ohio	3½%	1980	3.25%	3.10%
New Orleans, La.	3¼%	1979	3.70%	3.55%
Chicago, Ill.	3¼%	1977	3.70%	3.55%
New York City, N. Y.	3%	1980	3.65%	3.60%

November 9, 1960 Index=3.2614%

With Westheimer & Co.

(Special to The Financial Chronicle)

CLEVELAND, Ohio — Eugene Stringer, Jr. has become associated with Westheimer and Company, East Ohio Building. He was formerly with Fulton, Reid & Co., Inc.

Richard A. Nelsen With Cruttenden, Podesta

(Special to The Financial Chronicle)

OMAHA, Neb.—Richard A. Nelsen has become associated with Cruttenden, Podesta & Co., 1801 Farnam Street. He was formerly with John Douglas & Company Inc., and prior thereto was an officer of Kirkpatrick Pettis Co.

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.

Nov. 10 (Thursday)			
Eminence, Kentucky	1,150,000	1962-1981	7:30 p.m.
Hampton, Virginia	2,000,000	1961-1980	Noon
Odessa, Texas	2,836,000	--------	2:30 p.m.
Ysleta Independent S. D., Texas	2,000,000	1961-1980	7:30 p.m.
Nov. 14 (Monday)			
Multnomah County School District No. 40, Oregon	1,839,000	1961-1980	8:00 p.m.
Orange County, Texas	3,200,000	1962-1990	2:00 p.m.
South Euclid-Lyndhurst City Sch. District, Ohio	1,050,000	1962-1982	1:00 p.m.
Nov. 15 (Tuesday)			
Clinton Township, Michigan	1,415,000	1964-1999	8.00 p.m.
Groton, Connecticut	1,000,000	1961-1980	11:30 a.m.
Hudson County, New Jersey	5,096,000	1961-1985	Noon
Jefferson County Sch. Dist., Colo.	1,390,000	1961-1981	5:30 p.m.
Massachusetts	34,750,000	1961-2009	Noon
Port of Los Angeles, California	14,000,000	1963-1985	9:00 a.m.
San Diego, California	3,600,000	1961-1985	10:00 a.m.
Tennessee Valley Authority, Tenn.	50,000,000	1961-1985	Noon
Wichita, Kansas	1,717,000	1961-1971	9:00 a.m.
Nov. 16 (Wednesday)			
Dayton, Ohio	4,800,000	1962-1981	Noon
Fort Worth, Texas	2,250,000	1968-1990	11:00 a.m.
Northview School District, Mich.	1,350,000	1962-1987	7:30 p.m.
Philadelphia, Pennsylvania	35,085,000	1962-1991	Noon
Riverview Community S. D., Mich.	3,200,000	1961-1987	8:00 p.m.
South Carolina	5,000,000	1961-1980	11:00 a.m.
University of Illinois	7,950,000	--------	11:00 a.m.
Nov. 17 (Thursday)			
Alliance, Nebraska	1,750,000	1961-1982	7:30 p.m.
Brandywine Area Joint School Authority, Pennsylvania	1,075,000	1961-1990	8:00 p.m.
Cedar Rapids, Iowa	1,917,000	1961-1980	10:00 a.m.
Charlotte, Gerry, etc., Central School District, No. 1, New York	1,040,000	1961-1980	3:00 p.m.
Georgetown, Kentucky	2,500,000	1962-1976	7:30 p.m.
Hawaii	6,500,000	1985	11:00 a.m.
Spencer, Iowa	2,230,000	1961-1985	2:00 p.m.
Spring Branch Ind. Sch. Dist., Tex.	2,000,000	1962-1991	8:00 p.m.
Nov. 18 (Friday)			
University of California, Calif.	3,700,000	1961-1988	10:00 a.m.
Nov. 19 (Saturday)			
University of Washington	2,050,000	1962-1999	10:00 a.m.
Nov. 21 (Monday)			
Maricopa County, Scottsdale Sch. District, Arizona	3,945,000	1961-1974	11:00 a.m.
Montana State Board of Ed., Mont.	4,080,000	1961-1999	10:00 a.m.
Nov. 22 (Tuesday)			
Cajon Valley Union School Dist., California	1,220,000	--------	--------
Randolph County, North Carolina	1,750,000	1962-1988	11:00 a.m.
Nov. 28 (Monday)			
Dearborn Township School Dist. No. 4, Michigan	1,400,000	1963-1986	7:30 p.m.
Nov. 29 (Tuesday)			
Natchitoches, Louisiana	1,250,000	1962-1990	11:00 a.m.
Pulaski County, Arkansas	1,500,000	--------	--------
Nov. 30 (Wednesday)			
Florida Development Comm., Fla.	14,500,000	1964-1990	11:00 a.m.
Dec. 1 (Thursday)			
*Oklahoma City Improve. Author., Oklahoma	45,000,000		
Dec. 6 (Tuesday)			
San Diego Unified Sch. Dist., Calif.	10,000,000	1963-1982	--------
South Bend, Indiana	1,940,000	1931-1972	1:00 p.m.
Dec. 7 (Wednesday)			
Fairfax County, Virginia	8,500,000	1962-1988	--------
Maryland State Road Comm., Md.	12,500,000		
Dec. 8 (Thursday)			
West Virginia State Board of Education, West Virginia	1,648,000	1962-1989	2:00 p.m.
Dec. 13 (Tuesday)			
Los Angeles County Hospital Dist. California	7,000,000		--------

*A negotiated sale of a minimum of $45,000,000 and a maximum of $65,000,000, to be underwritten by a syndicate managed by John Nuveen & Co., Allen & Co., B. J. Van Ingen & Co., Inc., and Leo Oppenheim & Co.

The Basic Principles in a Trust Investment Policy

By Henry L. Parker,* *Vice-President, Harris Trust and Savings Bank, Chicago, Ill.*

A brief but thorough review of the basic principles he believes should govern the management of a trust portfolio are enunciated by Mr. Parker. Besides maintaining asset value and steady income, the banker points out that a trustee must also serve two masters—the income beneficiary and the remainderman. Mr. Parker favors averaging, keeping a working list of manageable proportions, consistency in ratio of bonds to stocks, constant supervision, and bonds of unquestioned quality and well known stocks to glamor ones. He explains what comes ahead of substantial appreciation consideration and stresses the importance of prudence.


Henry L. Parker

I would like to report briefly on a national survey of personal trust accounts. The worth of assets held in personal trust accounts in the trust departments of the United States increased to more than $57 billion in 1959 from a total of $49 billion in 1958. This is in accordance with a national survey of personal trust accounts conducted by the Trust Division of the American Bankers Association in collaboration with Alfred Politz Research Inc., New York City. This does not include employee accounts, such as pension funds and profit sharing funds, or funds held for the account of executors, guardians, or conservators, or so-called agency accounts under investment supervision, or last but not least, common trust funds. The total assets under investment supervision by the trust departments of this country could well total considerably in excess of $100 billion.

In discussing trust investment policies, it seems to me that every so often in any well regulated business a review of ground rules is well worthwhile because, as time passes, we may unconsciously lose direction as we pass through one economic change after another.

Providing Income for Two Masters

Let us review one or two fundamental concepts with respect to the administration of trust investments. This has to do primarily with bona fide trust accounts. In the first place, a trustee is charged with the responsibility of maintaining the value of the assets turned over to it and at the same time provide a steady income consistent with the going rate of return or yield on bonds and stocks—the greater the yield, the greater the risk. Now another element that we should not lose sight of is the fact that a trustee serves two masters. First, a trustee is responsible to the income beneficiary to provide a steady income consistent with the going rate. Second, a trustee has to bear in mind its responsibility to the remaindermen, the person or persons who take the trust property after the income beneficiary is through with it.

For instance, if we buy a bond of good quality with a 5% coupon which favors the income beneficiary, we might pay a high premium. The premium, as it disappears upon maturity, comes out of corpus and thus reduces the remaindermen's interest in the trust. In other words, such an investment is presently for the benefit of the income beneficiary at the expense of the remaindermen. Ordinarily, and in most instances, the settlor or testator is primarily interested in the living income beneficiary as the recipient of his bounty. That may be the surviving spouse or children or other close relative or friend. Accordingly, special efforts should be made to maintain as high a rate of income as possible without penalty to the remaindermen.

Prefers Policy of Averaging

A trustee should not lose sight of the fact that various accounts have different objectives. The trustee, accordingly, should analyze each account and try to tailor an investment policy for individual accounts within the framework of a trust department's over-all investment policy to accomplish the desired results. We believe in averaging and that a trustee will get satisfactory results from a staggered bond maturity pattern. Also, satisfactory results will be obtained by averaging stock purchases. We think that a trustee can satisfy its obligation to the settlor or testator by obtaining results from the policy of averaging — average yields over a period on bonds and market performance as regards stocks.

A basic investment policy for a trust department should be established and approved by the Board of Directors and administered through a trust investment committee or committees. The policy should be reviewed from time to time to make sure that it is in tune with conditions as they vary over a period of years and in different economic weather. There should be a "working list" of bonds and stocks or at least some standards set with respect to the selection of investments. Once a list of stocks has been selected, intensive analysis and study should be made of the companies involved to be sure that these stocks warrant continued retention and that management is conducting the business satisfactorily and in an aggressive manner. In connection with developing a "working list" of common stocks, we do not feel that too many items should be included as it is not possible to follow a large number of stocks as closely as they should be watched. If possible, a calling program on management should be developed, or some close contact with management should be arranged. One cannot stress too strongly the importance of management in connection with the selection of stocks for the investment of trust funds.

Four Basic Principles

In developing a trust investment policy, there are four basic principles to be considered: first, proper balance between types of securities—stocks and bonds; second, the careful selection of securities; third, the constant supervision of those securities after they have been purchased; and, fourth, some systematic control of the proportions of stocks and bonds. To elaborate on these principles, let me explain that we feel that an agreed upon proportion as between stocks and bonds should be determined and adhered to with a degree of consistency. Bonds should be of unquestioned quality and should be diversified as to industry in the case of taxable items and geographically with respect to tax-exempt items. Furthermore, bonds are important in any trust account as they provide continuity of income, a source of funds for emergencies, and buying power for the purchase of stocks when market levels seem attractive. In selecting stocks and bonds, careful analysis of the items selected should be made and reviewed and approved by the Trust Investment Committee and ultimately the Board of Directors.

We do not subscribe to the idea that the administration of a stock account for a trust should be in the interest of substantial appreciation, but rather to provide an element of diversification, an opportunity for growth, a degree of protection against inflation, and at the same time an opportunity to get a reasonable dividend yield which, over a long period of time, should be greater than the yield provided on bonds. At this writing, of course, the comparison of yields alone is unfavorable with the stocks in the Dow-Jones Industrial Average at about 3.4% as against 4 to 4½% on trust quality bonds. The present and recent relationship between bond yields and stock yields probably has been responsible for a considerable shift out of low yielding stocks into higher yielding bonds.

Does Not Favor Glamour Stocks for Trusts

Getting back to common stocks again, I repeat that they should be carefully selected and restricted to the leading companies in the basic industries of the American economy. They should be well-known companies having proven management and a successful record of earnings and dividends over a long period of time. We do not feel that the so-called glamour stocks are generally of trust fund quality, as income is quite low and uncertain and they have not stood the test of time so that one cannot determine which issues are going to come out on top in the long run and survive and develop into trust fund quality. We do not believe that a trustee is justified in investing trust funds in stocks of companies whose operations are exclusivey in foreign countries or whose management is foreign controlled. It is our experience that if a trustee does a satisfactory or better than average job, he gets little or no credit for so doing. This seems to be expected. On the other hand, if a trustee's investment record is poor, the trustee can expect to hear about it and may even be subject to surcharge. At opportune times, a trustee should take profits and have no hesitation about capital gains tax.

A trustee, in the administration of bona fide trusts, assumes one of the most sacred responsibilities any individual, group of individuals, or corporate entity can assume. The trust business is growing by leaps and bounds, and that is all the more reason why conservative policies should be established and maintained. Each trust institution has this obligation to the whole group so that our reputation for integrity and sound judgment shall not be jeopardized.

Let us be reminded of and recall the so-called Prudent Man Rule which in many states governs the investment of trust funds. To paraphrase, "In the management of investments for any trust, the trustee shall exercise the judgment and care under the circumstances then prevailing which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within these limitations, the trustee is authorized to acquire and retain every kind of property, real, personal, or mixed, and every kind of investment, including bonds, debentures and other corporate obligations, stocks (preferred or common), and real estate mortgages, which men of prudence, discretion and intelligence acquire or retain for their own account."

Supervisors of the examination of trust departments have a rapidly expanding responsibility and it seems to us that one of the main concerns should be to determine the degree of prudence that is displayed in the investment programs of the trust departments under their supervision.

*An address by Mr. Parker at the 1960 Annual Convention of the National Association of Supervisors of State Banks, Atlantic City, N. J.

Form Sales Agency

(Special to The Financial Chronicle)

OAKLAND, Calif.—Sales Agency, Inc. is engaging in a securities business from offices at 2030 Franklin Street. Officers are Raymond H. Miller, President; I. L. Miller, Vice-President; and William C. Howard, Secretary-Treasurer.

Harris, Upham To Admit Partner

Harris, Upham & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on Dec. 1 will admit William E. Erdman to partnership.

White, Weld & Co. To Admit Partner

White, Weld & Co., 20 Broad St., New York City, members of the New York Stock Exchange, will admit Arthur E. Palmer, Jr. to partnership on Dec. 1.

Schaedle Officer Of Briggs, Schaedle

Briggs, Schaedle & Co., Inc., 44 Wall St., New York City, dealers in U. S. Government securities and bankers acceptances, announced that Richard E. Schaedle has been elected an Assistant Vice-President of the firm.

Named Directors

Ernest T. Greeff, general partner of the investment firm of Granbery, Marache and Company, members of The New York Stock Exchange, and Joseph Mansfield, Assistant Vice-President of the Empire Trust Company, have been elected directors of Columbus Electronics Corporation, Yonkers, N. Y., it has been announced by Manlio Goetzl, President of Columbus Electronics.

Robert Baird Branch

WAUKESHA, Wis. — Robert W. Baird & Co. has opened a branch office at 217 Wisconsin Avenue, under the management of Horace D. Ward.

Hornblower & Weeks Br'ch

PALM SPRINGS, Calif. — Hornblower & Weeks has opened a branch office at 126 North Palm Canon Drive under the management of William M. Cooper.

Now Broy & Lowenstein

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Mathew J. Loewenstein has been admitted to partnership in the Broy Company, 110 Sutter Street, and the firm name has been changed to Broy & Loewenstein.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Areas for Investment—Industries which appear attractive — J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is an analysis of Empire National Corporation.

Auto Outlook for 1961—Analysis —F. S. Moseley & Co., 50 Congress St., Boston 2, Mass.

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

Bank and Trust Companies of the United States — Comparative figures—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

British Government Bonds — Analysis—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

Capital Gains and Losses 1960—Opportunities, explanations and worksheets—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Convertible Debenture Bonds — Recommended list—Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y.

Distillers—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y.

Domestic Beet Sugar Industry—Analysis with particular reference to **Great Western Sugar Co., Holly Sugar Corp.** and **American Crystal Sugar**—Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

Domestic Radio and Overseas TV —Discussion—Electronics Investment Management Corp., 1400 Fifth Ave., San Diego 1, Calif.

Gold—Review—Blair & Co., Inc., 20 Broad St., New York 5, N. Y.

Investment Suggestions—Data on 18 companies which appear interesting—Sutro Bros. & Co., 80 Pine St., New York 5, N. Y.

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Takeda Pharmaceutical Industries, Ltd.** and **Toyo Bearing Manufacturing Co., Ltd.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.**; and **Showa Oil Co.**

Leasing: Sophisticated financing—Survey—E. F. Hutton & Co., 61 Broadway, New York 6, 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.

Railroad Mergers — Review — H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a report on **Atchison, Topeka & Santa Fe** and **Union Pacific.**

Stocks That Apparently Have Reversed Downward Trends—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

Tobacco Industry — Discussion with particular reference to **Reynolds Tobacco** — Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Treasury Securities Market — Review—C. F. Childs and Co., 141 West Jackson Boulevard, Chicago 4, Ill.

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

American Machine & Foundry Co. —Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is a tax guide for 1960 with suggested switches and a memorandum on **Sterling Drug.**

Arvida Corp. — Memorandum — Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

BSF Company — Review — In the November issue of "American Investor" — American Investor, American Stock Exchange Bldg., New York 6, N. Y.—15 cents per copy, $1 per year. Also in the November issue are reviews of **Mount Vernon Mills, Inc., Republic Foil, Aurora Plastics Corp.**

Borden Company — Review — Colby Letter, 31 Milk St., Boston 9, Mass. In the same issue are reviews of **Harsco Corp.** and **Commercial Credit.**

Brockway Glass—Review — Robert W. Baird & Co., 110 East Wisconsin Ave., Milwaukee 1, Wis. Also available are reviews of **Bowman Products** and **Litton Industries** and a list of suggested purchases.

Carborundum Co. — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Marshall Field & Company.**

Cetron Electronic Corporation — Analysis—Leason & Co., Inc., 39 South La Salle St., Chicago 3, Illinois.

Chance Vought — Discussion — Stearns & Co., 62 Wall St., New York 5, N. Y. Also available are data on **Radiation Dynamics, High Voltage Engineering** and **Stauffer Chemical.**

Chesapeake & Ohio — Memorandum — Sincere & Company, 231 South La Salle St., Chicago 4, Ill.

Chesebrough Pond — Data — In November "Investment Letter"—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also available is a report on **Electronics Capital Corp.**

Coastal States Gas Producing Co. — Data — Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also available in the same circular are data on **Consolidated Cigar Corp., Phillips Petroleum Co.** and **United Keno Hill Mines Ltd.**

Columbian Carbon Co.—Analysis —Hornblower & Weeks, 40 Wall St., New York 5, N. Y. Also available are data on **Boeing, Gardner Denver, Woolworth** and **Borg-Warner.**

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

Crompton & Knowles — Analysis —Schirmer, Atherton & Co., 50 Congress St., Boston 3, Mass. Also available are brief reviews of **American Tobacco Co., International Paper Co., Laboratory for Electronics** and **Kaman Aircraft Corp.**

R. R. Donnelley & Sons Co. — Memorandum — Goodbody & Co., 2 Broadway, New York 4, N. Y.

Electromagnetic Industries, Inc.—Report — Flomenhaft, Seidler & Co., 44 Beaver Street, New York 5, N. Y.

Electronic Assistance Corp.—Study — Bruno - Lenchner Inc., Bigelow Square, Pittsburgh 19, Pa.

Ex-Cell-O Corporation—Analysis — Cohen, Simonson & Co., 25 Broad St., New York 4, N. Y.

Fritzi of California Manufacturing Corporation—Analysis—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

Gardner Denver — Memorandum —Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y.

Gateway Sporting Goods Co. — Analysis—Stern Brothers & Co., 1009 Baltimore Ave., Kansas City 5, Mo.

General Telephone & Electronics —Data—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **International Minerals & Chemicals.**

Great Northern Paper Company—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y.

Gulf & Western Industries — Memorandum—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Harbor Insurance Company—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Hempstead Electronics Corp. — Bulletin—Nelson Securities, Inc., 21 Greenwich St., Hempstead, N. Y.

Holt, Rinehart and Winston, Inc. — Analysis — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of **Paramount Pictures Corp.**

Hupp Corporation — Analysis — Robinson & Co., Inc., 15th and Chestnut Streets, Philadelphia 2, Pa.

Inland Credit — Memorandum — Shearson, Hammill & Co., 80 Pine St., New York 5, N. Y.

Life & Casualty Insurance Company of Tennessee — Report — Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

Livingston Oil Co. — Report — First Investment Savings Corp., 404 North 21st St., Birmingham, Alabama.

Lockheed Aircraft — Data — Shields & Co., 44 Wall St., New York 5, N. Y. Also available are data on **Republic Aviation.**

Lucky Lager Breweries Ltd. — Analysis — Doherty Roadhouse & Co., 335 Bay St., Toronto, Ont., Canada.

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

North American Aviation — Report—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

North American Aviation Inc.—Bulletin—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Peabody Coal — Memorandum — William M. Rosenbaum & Co., 331 Madison Ave, New York 17, N. Y.

Pfizer—Review in November "Investment Letter"—Carreau & Co., 115 Broadway, New York 6, N. Y. Also available is a table of comparative figures on **Growth Leaders.**

Purex Corp. — Analysis — Stern, Frank, Meyer & Fox., Union Bank Building, Los Angeles 14, Calif.

Richfield Oil Corp. — Memorandum — Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Stepan Chemical Company — Analysis — Chesley & Co., 105 South La Salle St., Chicago 3, Ill.

Superior Cable Corporation — Analysis — Carolina Securities Corp., Securities Bldg., Raleigh, N. C.

Tuboscope Co. — Memorandum — Glore, Forgan & Co., 135 South La Salle St., Chicago 3, Ill.

Yale & Towne Manufacturing Co. —Survey in November "ABC Investment Letter"—Amott, Baker & Co., Inc., 150 Broadway, New York 6, N. Y. Also in the same issue are surveys of **El Paso Natural Gas Co., Haloid Xerox Inc., Connecticut Light & Power Co.**

Yardney Electric Corp.—Analysis — Carter, Berlind, Potoma & Weill, 37 Wall St., New York 5. N. Y.

Hemphill, Noyes Branch

FITCHBURG, Mass. — Hemphill, Noyes & Co. has opened a branch office at 520 Main Street under the management of Samuel H. Albro. Mr. Albro was formerly local manager for du Pont, Homsey & Company.

Sutro Bros. Branch

HUNTINGTON, N. Y. — Sutro Bros. & Co. has opened a branch office at 417 New York Avenue under the management of Russell R. Seibach.

"A Lot of Trouble"

"The postwar years have seen rather general acceptance of the idea that policies of the Federal Government—both fiscal and monetary—should be directed toward moderating the fluctuations of the business cycle while promoting high-level employment and production, economic growth, and price stability.

* * *

"All too often, in considering the role government can play, it is forgotten that most job opportunities in our society are provided by private employers. A constructive fiscal policy should strengthen incentives which lead enterprising people to offer employment opportunities and foster price-cost relationships which permit production and sale at a profit. Otherwise, 'full employment' would mean everyone working for the government.

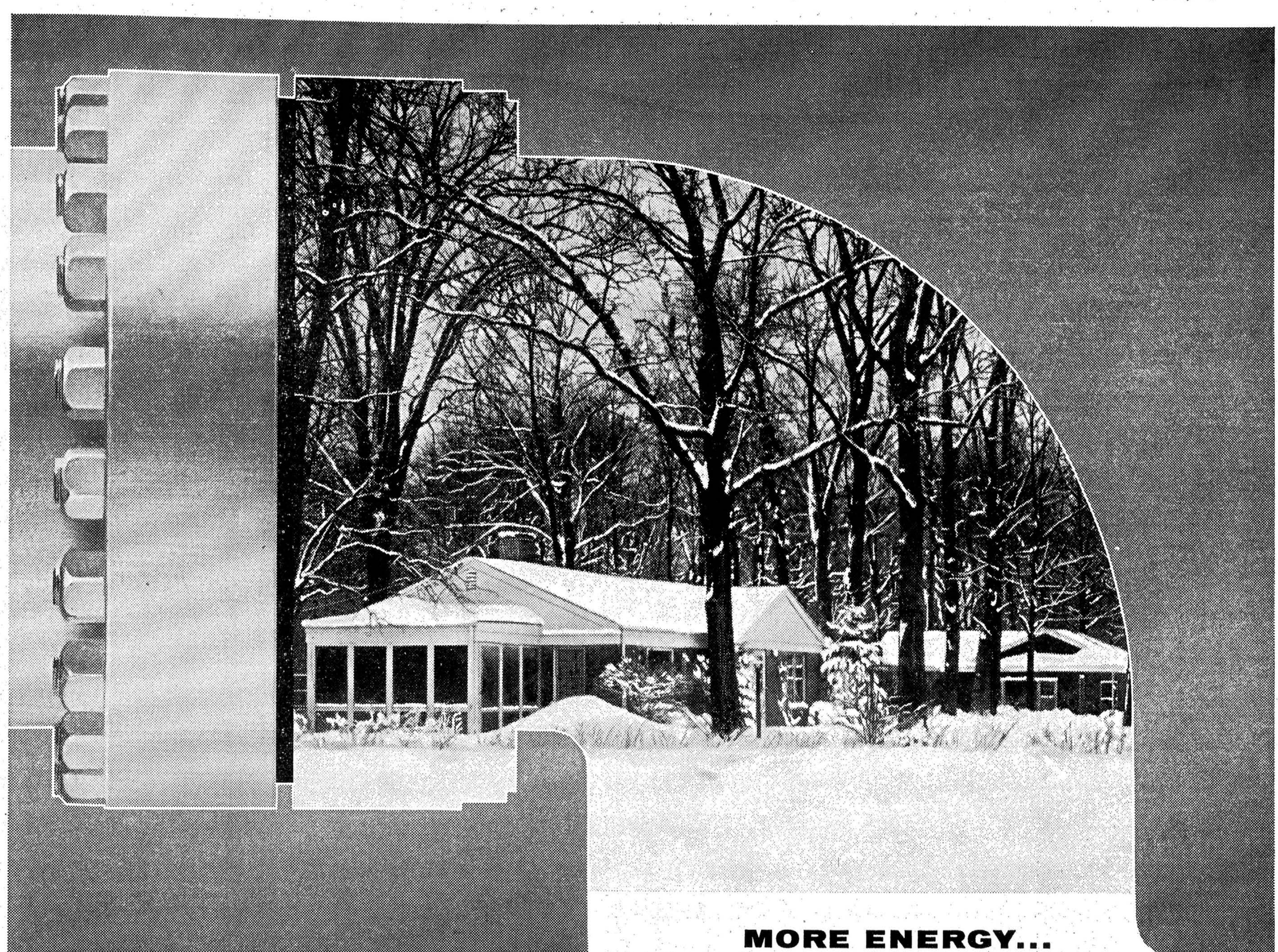
* * *

"People have become increasingly aware that maintaining high levels of demand for labor and goods creates both the opportunity and the temptation for labor and business to raise wages and prices. There has also been recognition that excessive, poorly timed, or badly chosen anti-recessionary measures can leave a legacy of inflation once the recession is over.

* * *

"The policies pursued in the 1957-58 recession gave us a lot of trouble. The Federal cash deficit of $13 billion in the fiscal year ended June 30, 1959 —a red ink figure beyond any precedent in peacetime—disturbed the faith of people, at home and abroad, in the future value of the dollar. As soon as credit policy moved toward restraint, bond prices collapsed under the weight of undigested Treasury security offerings. The gold outflow which began in early 1958 has been sharply reduced but not yet entirely stopped. A balance-of-payments problem is still with us. It is true that tightened money and Federal spending policies quieted inflationary fears, but the cost of living has continued to edge higher." —The First National City Bank.

For our part we are certain that, human frailty being what it is, efforts on the part of Government to manage our economic affairs, or even to influence them in a major way, will always give us a "lot of trouble."



We Need Higher Standards In the Securities Industry

By G. Keith Funston*, *President, New York Stock Exchange, New York City*

New York securities exchange head outlines a far reaching program encompassing rigid examinations and standards for member concerns' securities salesmen; the eventual termination of all part-time sales help; and the establishment in the industry as a whole of a national securities examination for everyone handling public accounts. Mr. Funston is concerned with some recent events which he believes unfairly blackens the industry's eye and which may hinder contact with an immediate potential investing public said to equal the number of present shareholders. Above all, he warns the industry that the most productive man is not the one who sells the most but, rather, the one who puts aside economic gain in order to help the "right people select the right amount of the right securities for the right reasons."

Twenty years ago when the National Association of Investment Companies took, so to speak, its first toddling steps as an organization, I doubt that any one would have dared predict the giant strides it would make in a single decade. Ten years later, when it had already demonstrated its capacity for prodigious growth, I wonder who would have foreseen the continuing giant strides ahead? And now, with investment companies managing a gigantic total of $17 billion in assets and with a record number of 2,500,000 individual shareowners, I am still moved to ask: who can be bold enough to project the future which will be yours by 1970?

Keith Funston

For what has happened over the last two decades opens new dimensions for the years ahead. The years gone by have not been years of economic growth only. They have been years of psychological growth as well. Somewhere in the early 1950's, Americans turned an important emotional corner in their attitudes about investing. After a long period of skepticism, the average family no longer asks the hesitant question: "Why **should** we own stocks?" Today the question is: "Why shouldn't we?"

I stress this change of attitudes for a very cogent reason. When we look ahead to the prospects for shareownership in 1970, it is not primarily the barrier of "economics" which sets our limits. The purely **economic** possibilities are enormous. Rather, the factor most likely to determine the extent of shareownership is one of attitude, of inclination, of motivation, of confidence.

In the 1959 Census of Shareowners, the Stock Exchange estimated that about 12.5 million individuals owned stocks in publicly-held companies. Perhaps less familiar are the attitudes expressed by non-shareowners in a still more recent survey. They reveal that for every existing stockholder, there is today another individual who is on the threshold of investing. In addition, there is a second group of nearly 23 million people whom we must consider. Although not quite to the point of making an investment decision, this group is definitely interested in such investment techniques as Employee Stock Plans, Investment Clubs, MIP and other stock purchase programs.

Gearing the Industry Toward Potential Investors

This is a body of potential shareowners which stretches the imagination. But note that today **they are only potential** investors. Our problem, therefore, is to gear up the securities industry to serve responsibly the needs of this huge audience. Our task is to help catalyze the public's general good-will into the hard stuff of individual decisions. The question as to whether they should or should not invest must be resolved in a manner which will be rewarding to the individual and to our nation's economy.

What will that catalyzing agent be? Part of it will be the skill with which investment managers handle the billions of savings that have already been entrusted to them. Yet skillful investment management alone will not be enough. Equally important will be the **direct personal experiences of millions of new investors** in dealing with a registered representative, a securities salesman or other investment advisor. And it is these experiences which will be crucial in determining whether the shareowning potential of the 1960's becomes a mutually productive reality—or a bungled opportunity.

The Challenge to the Securities Industry

I do not think that opportunity will be bungled. The growth in shareownership over the past decade would not have taken place if many millions of new investors had not formed satisfying relationships with the sales representatives of the securities industry. Yet I would be remiss if I did not point out that the scene is changing. Customer relationships in the future will be more rigorously tested than in the past. And as one economist has written, "The modern free enterpriser must constanntly adapt not only his product but also his business philosophy to a **changing** reality. If this adaptation is to be successful, it must be visible not only in the memos of top management, but at the public periphery as well. It is here that the enterprise meets and wins its customers." This is an admonition which bears particular relevance to our industry. As I have already pointed out, the dimensions of our market have changed. Our industry must adapt to these changes.

The number of people in the securities business handling public accounts has risen from an estimated 30,000 in 1950 to slightly over 100,000 this year. Part of that increase has occurred among registered representatives of New York Stock Exchange member firms. Part lies within the growing ranks of members of the National Association of Securities Dealers. Perhaps the largest percentage increase consists of the sales people who have been added to the staffs of mutual fund distributing companies.

This increase in total personnel is in itself both a necessary and a healthy development. A rising demand for a service naturally brings in its train a larger service organization. But in the case of our particular industry, I think we will agree that a growing demand requires more than just a **larger** quantity of people. It also requires a greater emphasis on the **quality** and **training** of our people.

For we must recognize that most of tomorrow's shareowners—now hesitating on the verge of ownership—have never before talked with a member of the securities industry. Many of them still entertain old fears and misconceptions about securities as a personal asset. Some of them believe in securities—but for the wrong reasons. Others, despite good levels of education, are uninformed about—and ill at ease with—what they consider the mystifying language of investing.

To these millions of potential owners, the first contact with an industry representative will be crucial—not only in terms of **their** own investing habits but in terms of **our** own prospects for future growth. A customer who feels high-pressured, over-sold, under-informed will not stop to consider whether the investment he was persuaded to make might not have been a sound one. He will feel that he has been "had"—and he is likely to take out his resentment, not just on a particular individual or firm but on the securities industry as a whole.

Thus, the challenge to our industry is not to motivate 10 or 20 million one-shot customers out of the vast potential market. It is to create 10 or 20 million additional long-term investors. Nor is the selling of securities the challenge we face. The challenge is to emphasize the **opportunity to own securities—and to understand the risks and rewards involved—as a proper and prudent means of self-advancement.**

How Has the Challenge Been Met?

How well has our industry met this challenge? Let's start by looking at the spectrum of registered representatives and securities salesmen today.

About 32,000 people handling client accounts are employed by member firms of the New York Stock Exchange. They are full-time representatives, subject to the stringent responsibilities assumed by these member firms. They handle a wide range of securities, from conservative bonds to highly speculative stocks. Their function is not to be a "salesman" in the orthodox sense of the word. **Rather, it is to help their customers in selling securities — as well as in buying.** Before registered representatives can handle any securities business for the firm's customers, they must be screened, not only by their employers but also by the Exchange itself. Before being fully accredited they must complete a training program ordinarily taking about six months. They must pass a written examination given by the Exchange.

Apart from the Stock Exchange community, 55,000 producing personnel work for organizations which are members of the National Association of Securities Dealers. They include, incidentally, the majority of the selling personnel of mutual investment companies. These sales people must evidence certain minimum qualifications by passing a written examination given by the NASD.

In other words, of the industry's entire national selling force, only some 15,000 are not subject to a minimum qualification established by the industry itself. But that does not mean that all in this group are inadequately prepared. On the contrary, many work for firms which provide good training of their own. But some of this group have apparently received little or no training. These are employees of firms which have chosen not to join hands with an exchange or the NASD and which are not required by law to do so because they do not deal with other brokers or operate entirely within the confines of a single state.

In addition to the industry requirements, there is a certain safeguard in the various state registration systems. Although limited and uneven, this structure also helps establish and maintain standards.

This, in the large, is the picture of the people in the industry who today are handling the public's business. I will touch on some of the weaknesses in a moment. But first it is important to call attention to the basic strength in this structure—**the fact that the great majority of our industry has voluntarily accepted the responsibility for setting up and testing the qualifications of its own sales people.** All in all, the picture is an encouraging one. As a national stereotype, the old-time "customer's man" deserves to be filed away in the nation's scrapbook.

But this is not yet a complete picture. Despite this testing, there still exists a certain number of people who operate in a vacuum of responsibility. The securities they handle may be excellent. The techniques by which they handle them sometimes are not.

What are the questionable practices I refer to? Let me mention a few examples:

From Connecticut: A foreman at a local industrial plant was putting pressure on assembly line workers to buy funds from him.

From Florida: A woman was told by a door-to-door novelties salesman that a stock he handles was distributing capital gains the next day and rushed her into buying shares for this purpose.

From New Jersey: A postman who also sells a mutual fund tried to persuade a 63-year-old mechanic to invest his entire $5,000 savings in a 10-year, front-end load contractual plan.

I think I need not go on. There is the problem. The number of such cases may not be large, but I need hardly remind you of the damage which even a few well-publicized instances can cause. And now the question is: What can we do about it?

What Is To Be Done?

Let me begin by making clear that this is a problem which goes far beyond the specific excesses I have mentioned. It is not just that the practices of one small part of our business must be improved. The challenge, rather, is how best to elevate further the level of responsibility throughout the entire industry. We are, after all, not only united in the public eye, but knit together by the relationships of our business life. Member firms of the Stock Exchange, for example, handle about 30% of all mutual funds. The mutual funds, in turn, constitute one of our most important customers. Hence we must recognize that the **quality** of the personnel in any one part of the industry affects us all—raising us all up together, or subjecting us all to a common criticism. This holds true whether we are conducting back-office operations, managing investment portfolios, or participating directly in dealing with the public.

Because this problem affects us all, I think the industry may be interested in what the Stock Exchange has recently begun to do. It is a three-part program:

The **first** calls for further raising our minimum qualifications for registered representatives. To this end, early this year we asked a leading testing organization to analyze our present examination and to tell us how it could be strengthened. On the basis of pilot tests which are now well under way, I expect that new, tougher examinations will be ready by Jan. 1, 1961. In addition, they will be administered through a nation-wide network of testing centers.

The **second** phase of our program calls for providing newcomers with the up-to-date tools they will need to master the more demanding qualifications we are going to insist on. By way of preparation, we are helping our member firms broaden their individual training efforts. In addition, we are working with leading universities in New York, Chicago, Los Angeles, Boston and other major cities in developing new courses for registered representatives. These classes, by the way, are open to qualified people throughout the industry.

Third, we are concentrating major efforts on the continuing personal growth of those registered representatives already experienced in the business. Through conference programs and refresher courses for partners and registered representatives, through the preparation of new materials, and through a clearing house for sharing training techniques developed by individual firms, we are seeking to reach every corner of our community.

These steps will, I believe, lead to a more genuinely **professional** level of training for Stock Exchange registered representatives. That is what we believe is required in order to serve the new investing public in the years ahead.

But what of other segments of the industry? Our common interest prompts me, at least, to ask a few pointed questions.

The NASD's Program

First, the National Association of Securities Dealers last year raised the passing grade on its examination from 70 to 80. The NASD is now considering making its basic test more difficult. These are vital and welcome steps. But should not the NAIC take advantage of this period of reassessment to urge particularly that the test be broadened to include a more comprehensive coverage of mutual funds? Should not this test call on mutual fund salesmen to demonstrate a searching knowledge of their field?

Second, what about the overall problem of supervision? I do not doubt that most firms today offer excellent training and supervision of their account personnel and that they intend further improvement. This applies both to firms which belong to NASD and those which do not. But what of the few indifferent or careless firms? What of the harm that may be caused by their untrained, over-zealous sales personnel? Would it not protect the interests of every member of the NAIC to prevent this sort of **mis**-representation? And could this not best be accomplished if the NAIC itself undertook the responsibility for defining a set of standards that spell out the qualifications and controls for people handling mutual fund shares? I daresay that such a step would not only greatly enhance the public esteem of your organization, but would also attract additional investment companies who wished to share in that esteem.

If the past in any guide, I think we can safely say that the surest way to avoid onerous regulation is for the industry itself to make every effort to keep out of the business those who may seriously damage its reputation.

One development we might well look towards, I believe, is the establishment of a national securities examination. This would have a core of questions covering principal areas of knowledge essential for everyone in the industry who handles public accounts. Each and every applicant would take this portion of the examination. A separate section could embrace Stock Exchange questions only and would be taken only by those seeking approval by the Exchange as registered representatives. Another section could be developed by the NASD dealing with the over-the-counter market and mutual funds. Any duplication of questions could be eliminated and each applicant would take those necessary parts of the examination for which he sought registration. And, finally, the examination itself could be given at common testing centres.

This exam could serve the responsible self-regulating sections of the securities industry. And it could be available to states as well—for use with those personnel who are not covered by the industry's own testing mechanism.

The Stock Exchange will, in fact, have available early next year just such a test based on its studies to date. It will cover the essential features of what eventually could be included in a national securities examination given by the industry. Indeed, if this forthcoming exam will be of assistance to those states which even now are studying their own testing procedures, we will be pleased to make it available.

Full Time Sales People

There is one final point I should like to cover. As a "growth" industry, the securities business has attracted to its fringes some people who are manifestly unable to provide sound investment guidance. Furthermore, their ability to reach the necessary level of competence is limited by the fact that they have only a part-time commitment to our field. The major demands on their time are in other, often unrelated, fields.

At the Stock Exchange we believe that it is not possible to exercise adequate controls unless our member firms employ registered representatives on a full-time basis. Put another way, we don't believe that the public can be adequately advised about selecting securities by someone who devotes only a small share of his business day to the complex problems of securities investment.

Can someone earning his basic living as a clerk-typist, diaper salesman or window trimmer qualify for the exacting job of providing sound investment advice? Even though of first-rate ability, has he the necessary time to achieve that qualification and keep up to date? I think these questions are not too difficult to answer.

It seems to me the very least the securities industry must demand for itself, if it employs part-time help to handle customers' accounts at all, is to select its part-time force from among first-rate people in those occupations which are already concerned with some phase of broad, overall financial planning such as accounting or law.

What Is At Stake?

I may seem to have come a long way from my opening remarks about shareowning prospects for the middle 1960's. Yet I would like to stress again that those prospects will not materialize automatically from haphazard doorbell ringing or telephone calling. Indeed, unless tomorrow's investors are guided by well-trained intelligent as well as forceful people, I think we will not realize our potential, or attract the permanent, long-range investors we want.

This need not happen if we act affirmatively. But it will require that all of us attend to the problem at hand.

If I may summarize the situation:

First, the size of our industry's immediate potential market is at least equal in numbers to the present shareowning population. But to turn this potential into an actuality will require not just **more** selling, but more **responsible** selling and servicing. It must aim at not just **more** shareowners, but **better-informed** shareowners. The key man for achieving such goals is the registered representative or sales person who goes out to meet the public.

Second, the Exchange is stepping up its efforts to meet this problem in its own area in a number of ways: by seeking to toughen its examinations for registered representatives . . . by encouraging more comprehensive member firm training programs . . . and by developing greater educational opportunities for new as well as experienced personnel.

Third, the framework exists for similar efforts elsewhere in the industry — by upgrading and broadening NASD's examination . . . by further improving individual training programs . . . by developing a stringent code of standards for NAIC members . . . and ultimately by preparing a national securities exam covering the basic knowledge essential for the securities salesman — an exam which could be given at testing centers set up at key points across the country.

Finally, in its own self-interest, the securities industry should aim towards insisting eventually that people handling client accounts are full-time employees. In the interim the industry should employ, to deal with the public, only those whose principal business is concerned with some phase of broad overall financial planning.

One final word. No program designed to improve the quality of service can confine itself merely to technical training. The most productive man in an organization is not always the man who sells the most securities. He is the man who helps the right people select the right amount of the right securities for the right reasons. At the heart of the matter is a moral commitment — a commitment to the idea of sound and broader shareownership, a commitment which goes far beyond matters of immediate economic gain.

What I have outlined is perhaps a far-reaching program. But these are not times when lesser solutions recommend themselves. I would like to see our industry, propelled by its own private initiative and guided by its own enlightened conscience, reach higher and harder than ever before.

We have met our responsibilities well in the recent past. Top management in our industry continues to show its eagerness to meet them in the future. But, in the words of the economist I cited earlier, it is not enough for management to write memos. The test is to transfer that eagerness to the public periphery where an enterprise meets and wins its customers. Here is where the challenge of the future lies.

*An address by Mr. Funston before the 20th Annual Convention of the National Association of Investment Companies, New York City, Oct. 13, 1960.

Glore, Forgan to Admit Partners

Glore, Forgan & Co., 45 Wall St., New York City, members of the New York Stock Exchange, on Dec. 1 will admit Charles E. Brown and Philip S. Nelson to partnership.

On the same date Hunter S. Marston, Jr., a general partner of the firm, will become a limited partner.

Joins Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Leon G. Shahanian has joined the staff of Dempsey-Tegeler & Co., 210 West Seventh Street. Mr. Shahanian was recently with Mitchum, Jones & Templeton.

Beryllium's Continuous Growth is Clearly Indicated

By Bruce W. Odlum,* *President, Beryllium Resources, Inc., Beverly Hills, Calif.*

Beryllium does not deserve the insidious characteristics of "glamour" attached to it according to Mr. Odlum whose firm and affiliates specialize in that metal. He discusses what is being done to overcome obstacles holding back this phase of mining which is said to have doubled, nevertheless, every other year to date. The author looks forward to space vehicles, satellites, missiles, hypersonic aircraft, and nuclear power plants to provide the near-turn impetus to generate production and, as a corollary, lower the cost of the metal. Mr. Odlum points out, for example, that if the British gas-cooled reactor were to be duplicated in a dozen places in the world it would consume all of today's beryllium production.

I would like to deal with broad generalities first and then hope that these generalities will bring forth an informative and perhaps more technical and more particular question and answer period.

Bruce W. Odlum

Beryllium is almost at the opposite end of a periodic table from uranium, yet it is by comparison with uranium, oddly enough, that I would like to start. It was not so many years ago that the word "uranium" cast its magic spell on the investing public. Companies were formed overnight, and in many cases, collapsed just as rapidly. Their ingredients were nothing more than hope, prayer and the word "uranium." The glitter and glamour has faded despite the fact that uranium has become an established and respectable member of the mining industry, but the stigma of the word "uranium" persists. Investors at large would more than likely shudder at the prospect of investing in a new, unproven uranium stock. To some extent, this "boom or bust" type of operation is inherent in any new, rapidly developing industry in the first stages. Nonetheless, it is regrettable and might be avoided for the most part.

And it was not so many years ago that much the same thing happened to a lesser degree to Titanium, the glamour child of its day.

And now everywhere we hear the word "beryllium." Corporate management, brokers, and the investing public are becoming increasingly aware of it. Beryllium is taking on the insidious characteristics of "glamour." But beryllium itself is not that new or that young. In 1931 it was already launched, and since that day has been developing steadily, efficiently, profitably, and unobtrusively. It was not until the coming of the atomic and space ages that the necessary ingredients or cosmetics were added to catch the public eye and imagination. The fact that the space capsule in the project Mercury depends on beryllium, the fact that some of our atomic reactors depend upon beryllium—all of these facts have combined synergistically so that beryllium now has unfortunately become a potential subject of the same "boom or bust" tactics.

Members of the Management of Beryllium Resources, Inc. and Dynamic Metals Corp., on behalf of Hidden Splendor Mining Co. and Federal Resources, Inc., have for many years been involved in beryllium. We have watched the industry carefully, studied its growth patterns, analyzed its problems, and cautiously forecast its future. The metal production end of the industry is primarily handled by the Brush Beryllium Co. of Cleveland and the Beryllium Corp. of America of Reading, Pa. The mining end of the industry, the production of beryl, which is still the principal ore of beryllium, has been carried on, more or less piecemeal, all over the world, with the accent on "less" in the United States.

Factors Holding Back Development

The occurrence of beryl in nature is such that large reserves do not **normally** occur at any one place, nor are they **normally** economic to mine in this country. One of the factors which has tended to slow the development of the beryllium industry has been the hesitancy of engineers to design for an inordinately expensive metal or to create a demand for which there is an uncertain or inadequate crude ore supply.

Two other obstacles appeared to be holding back the development of the beryllium mining industry. First of all, beryllium minerals other than beryl which are rich in beryllium oxide had not been found in economic quantity, or at all, except for a few isolated occurrences such as the Ural Mountains and Pike's Peak, from which museum samples are taken. They were suspected to exist and known to be elusive. The word "phenakite," for example, is taken from the Greek phenax which means imposter. Secondly, a new method of concentrating beryl had to be found other than the traditional hand-sorting method. Beryl, because of its chemical and molecular structure, had traditionally defied economical, mechanical flotation, and yet the metallurgy involved in the extraction plants was such that the beryl had to be concentrated to a contained oxide level of at least 10%. For all practical purposes, this means almost pure beryl.

Management of Hidden Splendor and Federal both carefully balanced the risks and the potential rewards involved and determined jointly to try to improve the mineral end of the industry.

On the one hand, Mr. E. Van Dornick of Dynamic Metals Corp., chemical engineer of stature, formerly of American Arabian Oil Co. and Macco Construction Co., undertook the development of reagents suitable for floating beryl. During the past 4½ years he has continued his research and development work to the point where he has been able to successfully concentrate mine-run beryl of about 1/10th of 1% BeO or better, at recoveries higher than 90%. The economics involved appear to be good enough to equal or better the cost of hand-cobbed beryl imported from overseas.

On the other hand, Dr. Norman C. Williams, formerly chief geologist for Brush Beryllium Co. and presently professor of geology at the University of Utah, concentrated on the application of theories harbored by him for many years on the occurrence of the non-beryl beryllium minerals. In this respect, the two principal minerals being sought were phenakite and bertrandite. His subsequent discovery of both signalled the beginning of a new era in the beryllium mining industry. Since that time, Dr. Williams' theories, put into practice, have resulted in several beryllium discoveries of significance at Delta, Utah. Finding the non-beryl beryllium minerals is certainly no easier and probably much more difficult than locating uranium, for example. Certain forms of uranium are detected only by the use of a geiger counter, and in the same way certain forms of beryllium such as bertrandite and phenakite are detected quickly in the field by the use of the berylometer, a device which is essentially the reverse of a geiger counter. Any prospector can go into the field with a geiger counter and he may or may not detect the presense of uranium. More than likely, he will find some uranium, but not in real quantity or of very high grade. The same is true of beryllium. A team of men armed with a berylometer would undoubtedly locate one of the beryllium minerals without too much difficulty, but here again the chances of locating a deposit of size and grade are slim indeed. It has been Dr. Williams' thesis for years that there are certain geological signposts by which beryllium can be located analytically and purposefully, and that although it is also possible, by guess and by gosh, sooner or later, to locate beryllium or any minerals, the surest and best and cheapest way is to determine in advance by the inherent evidence of the geology, where the possibilities of substantial beryllium reserves may occur.

Simultaneously, Mr. Van Dornick turned his scientific skill to the non-beryl minerals and particularly to the Delta beryllium mineral. He has demonstrated to our satisfaction the ability to concentrate these minerals with high recovery and in an economic range significantly superior to foreign beryl. As the result of our work at Delta, Utah; Alaska; elsewhere in the U. S., and in foreign countries, we now know that beryllium minerals occur in sufficient quantity to allow the industry to expand to a major industry. And there is increasing evidence that they exist in sufficient quantity to free the U. S. from its absolute dependence on foreign ore, although the extractors will undoubtedly continue to draw a substantial percentage of their ore requirements from abroad for several years to come. We know that we have developed an effective, economical and mechanical method to concentrate these minerals, both at home and abroad.

The Stage Seems To Be Set

The stage then seems to be set, the actors are present and the audience is seated and expectant. What has been left out is the script. Just what role is beryllium destined to play? Most of us would have a hard time enumerating over a half dozen uses for beryllium, chiefly because most uses are classified and because only two or three principal uses are in the public eye. Satellites, missiles, heat sinks, nuclear monerators are among the uses most familiar. One of the other principal uses for beryllium will be its structural use. Its strength-to-weight ratio is very great. Its stiffness is almost unbelievable. Its weight is negligible. Its melting point is high. If a DC-7 were made of beryllium it would weigh about half of what it weighs today. Even the common brake drum when made of beryllium performs wonderfully better than those made of other metals.

One can speculate and dream of a metal empire in beryllium which might seem as real, as large, and as universal as the present-day aluminum empire, but there are restricting factors. Beryllium occurs in the crust of the earth far less often and in far less quantities than aluminum. In fact, it occurs about as often as arsenic, and is about 1/7th as abundant as tin. Therefore, one can at the same time see both the drives and the restraints which will govern the growth of the beryllium industry. It will surely be a sound-non-military industry and it will surely be a large industry; but I don't believe its products are destined to appeear in every home in the form of frying pans and all of the other every-day common household items now made of iron, copper and aluminum. Granting then, that all of the ingredients for a large-scale beryllium industry are at hand, what is the near-turn impetus that will cause the demand which stimulates production, and as a corollary, lowers the cost of the metal.

Driving Force for Growth

I think it is safe to say that for the next decade, the principal driving forces will be space vehicles, satellites, missiles, hypersonic aircraft, and nuclear power plants.

Especially in relation to nuclear power plants, a non-military use, it is difficult to visualize and understand the significance of the consumption of beryllium. One standard of measure may help: it is estimated that if England's gas-cooled reactor at Windscale performs as expected, it will create a demand in the United Kingdom of between 40 to 100 tons of beryllium annually, which is the equivalent of between 1,000 and 2,500 tons of beryl ore, which is the equivalent of nearly 20% of all the beryllium ore consumed in the U. S. today. If the British gas-cooled reactor were duplicated in say a dozen places in the world, then the beryllium requirements for this purpose **alone** would far exceed all of the beryllium metal produced today for all purposes taken together.

In conclusion then, the continuous growth of the beryllium industry is clearly indicated: growth to date has doubled every other year. Today's 40 million dollar industry will surely be tomorrow's 80 million dollar industry.

For the cynics, there is always the question—will not some other metal, some other alloy replace beryllium? Do its job better? This is not only a good question, it is a real question because it is generally the pattern that has been followed throughout the history of metallurgy. However, it does not seem possible that beryllium can be replaced. The only metal lower in the periodic table is lithium. Lithium does not have beryllium's great strength and heat resistance. Lithium as a metal is not stable at atmospheric conditions.

It is the **combination** of beryllium's talents which will make it the winner of the metallurgical decathlon.

*An address by Mr. Odlum before the Utah Securities Dealers Association, Salt Lake City.

Reese, Scheftel Co. Formed

MASSAPEQUA, N. Y.—Scheftel & Co., Inc. has been formed with offices at 38 Massapequa Avenue to engage in a securities business. Officers are Stanley R. Scheftel, President; Ruth Scheftel, Vice-President; and Joan G. Scheftel, Secretary-Treasurer.

Investment Lectures

Harris, Upham & Co. has announced the extension of their course of investment lectures by reason of popular demand, to include a Nov. 14 class based on research, and another on Nov. 21 covering balance sheet interpretation.

H. S. Henschel Opens

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Henry S. Henschel is conducting a securities business from offices at 8631 Wonderland Avenue.

Businessman's BOOKSHELF

Big Corporation: Where Its Money Goes — Lloyd J. Bucknell, Jr.—Macalester College, Bureau of Economic Studies, St. Paul, Minn. (paper).

Educational & Cultural Exchange, 1959—Department of State Publication 7066 — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 55¢.

Engineering & Technical Conventions 1961 — Calendar of major events in the fields of engineering and science—Industrial Relations News, Inc., 230 West 41st Street, New York 36, N. Y., $4.00 (including an annual fall supplement).

Extent of Voluntary Health Insurance Coverage—Health Insurance Council—Health Insurance Association of America, 750 Third Ave., New York 17, N. Y.

Federal Labor Laws and Agencies—1960 Supplement—U. S. Department of Labor, 341 Ninth Avenue, New York 1, N. Y., 30¢.

Freeman, November 1960 — Containing Articles on The Man Who Smelled the Future (William Graham Sumner); Aid Alternatives and Discrimination; 17 Arguments against Socialized Medicine; U. S. Foreign Aid; etc.—Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y., 50c.

How Are Farmers Doing?—Arthur R. Upgren and Harold I. Lunde—Bureau of Economic Studies, Macalester College, St. Paul, Minn. (paper).

Journal of Political Economy, August 1960—Containing Articles on Cost of Protection and the Scientific Tariff; Product Differentiation and Advertising: Some Lessons from Soviet Experience; Price-Level and Money-Denomination Movements; Featherbedding: A Theoretical Analysis; etc. —University of Chicago Press, 5750 Ellis Avenue, Chicago 37, Ill., $1.75 per copy; $6.00 per year.

Labor Laws And Their Administration: Proceedings of the 42nd Convention of the International Association of Government Labor Officials — U. S. Department of Labor, 341 inth Avenue, New York 1, N. Y., 60¢.

Minerals in the United States, Historical Statistics — Resources for the Future, Inc., 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (paper). $1.00.

New York State Savings Banks Fact Book 1960 — Savings Banks Association of the State of New York, 110 East 42 42nd Street, New York 17, N. Y. (paper). $5.00.

Republic of the Niger: Hour of Independence—illustrated brochure —French Embassy, Press & Information Service, New York, N. Y. (paper).

Social Security Challenges — Ray M. Peterson (reprinted from Journal of American Society of Chartered Life Underwriters) — Equitable Life Assurance Society of the United States, 393 Seventh Ave., New York, N. Y. (paper).

This Is Japan—Lavishly illustrated annual on Japan containing articles, color photographs and black and white photographs on Japanese art, industry, politics, etc.—$6.50 per copy; in special cedarwood box, $7.25 — Asahi Shimbun, Tokyo, Japan.

U. S. Atomic Energy Commission — Annual Financial Report — U. S. Atomic Energy Commission, Washington 25, D. C. (paper).

What You Should Know About Inflation—Henry Hazlitt—D. Van Nostrand Company, Inc., 120 Alexander Street, Princeton, N. J. (cloth), $3.50.

Extension of Savings Banks Through Federal Chartering

By Dr. Grover W. Ensley,* *Executive Vice-President, National Association of Mutual Savings Banks*

The failure of financial institutions in 33 non-mutual savings bank states to tap the potential for savings is cited as one of the prime reasons for Federally chartering mutual savings banks. The spokesman for mutual thrift institutions makes the point that mutuals are not in the areas with a faster than average rise in incomes, population and housing; that the higher cost of home financing is in non-mutual savings bank states; and that many commercial banks are not consistently interested in attracting savings. To raise the ratio of savings to income for tomorrow's tremendous demands, Dr. Ensley argues the Federal charter bill of last July 1 would be a significant step forward.

During the past three years much has been happening to the savings banking industry in its efforts to promote thrift and contribute to the long-term investment needs of the American economy. One effort that has been of particular significance has been programs to extend the system of savings banking beyond its present geographical limits. New York State has broken through branch limitations and may now reach new savers in new areas and thus provide facilities for thrift that are modern and convenient. On the national level, the savings banking industry is also attempting to bring to individuals and families throughout the United States the same facilities for thrift that are now available only to those living in 17 states.

Dr. Grover W. Ensley

A positive result of these National Association efforts was the enactment last spring of legislation permitting the establishment of mutual savings banks in Alaska. The legislation doubled at one stroke the geographic area that can be served by the mutual savings banking system. The National Association is giving assistance to individuals in Alaska who seek to organize a savings bank.

Federal Charter Bill

A second positive result of National Association extension activities was the introduction on July 1 in the Congress, under the bi-partisan sponsorship of members of both House and Senate committees on banking and currency, of a bill calling for Federal chartering of mutual savings banks. It is this proposed legislation I want to discuss briefly.

The legislation proposes to provide on a national level the facilities for personal savings and long-term investments now provided by mutual savings banks in 17 states. The structure, organization, and objectives of the proposed Federally-chartered institutions would adhere closely to those that for nearly 150 years have served well both individuals and the economy under the present state-chartered system of savings banks. The banks would be organized by community-minded individuals who would contribute to a guaranty fund sufficient to protect deposits until the bank could accumulate its own reserves. There would, of course, be no stockholders, the banks being operated solely for the benefit of depositors. The present creditor-debtor relationship of state-chartered mutual savings banks would continue with Federally-chartered banks. A board of trustees would manage the bank for the benefit of depositors. The investment functions, while concentrating on home financing, would be sufficiently flexible to maintain standards of liquidity which are traditionally associated with mutual savings banks. Finally, all earnings, after provisions for reserves to protect savings and the payment of operating expenses, would be distributed to depositors.

Thus, the same standards of safety, availability, and reasonable returns to depositors that characterize state-chartered savings banks would prevail. In other words, the new legislation carries forward the time-honored and time-tested standards and traditions of public service that have made mutual savings banks recognized leaders in the promotion of thrift and the channeling of investment funds into productive economic expansion.

Before reviewing the implications of the proposed national thrift system, I would remind the reader that there has been a revolution in the United States in recent years. This revolution is not the Castro variety, nor the Congo kind. It is one from which an increasing number of individuals and families has directly benefited. Personal incomes in the United States have been on the rise. Stated in terms of real purchasing power, or in constant prices, the average family income has risen from less than $4,000 in 1929, the peak of the booming 1920's to well over $6,000 in 1960. In 1929 only one-fourth of all consumer units had a purchasing power of more than $4,000; today, nearly two-thirds are in this bracket. The number of families above the $4,000 mark, that is, in the $4,000 to $10,000 range, has risen from 8 million in 1929 to more than 28 million.

This rise in personal income is directly related to the increasing productivity of the American economy — a productivity made possible by the formation of capital for economic expansion. Let me emphasize that the capital for this expansion has come from the savings of the people. Personal savings will continue to be essential to the formation of capital if we are to continue to expand on a sound basis.

Poor Savings Coverage of Growing Areas

Of particular significance to the question of Federal chartering of mutual savings banks is the fact that areas where personal income, population, and housing and other capital needs are increasing at rates higher than the national average are just those areas in which there are no mutual savings banks. Even though these areas have no savings banks, their development has been aided through the out-of-state lending programs of savings banks that now exceed $5 billion. It is because mutual savings banking has contributed to the steady expansion of the American economy and to the capital needs of these faster growing areas that it seeks to make its thrift facilities directly available to all areas of the nation rather than to only one-third.

Many of the areas without savings banks are those with rising personal incomes, increasing demands for housing, for schools, for factories, for highways, for expanded transportation. They have tremendous resources. But in these areas we question whether existing institutions are capable and willing to promote thrift year in and year out, in good times and in poor times, when money is tight and when it is easy, when interest rates are high and when they are low.

Statistics indicate that financial institutions in the 33 non-mutual savings bank states are not meeting the need to stimulate an increased flow of personal savings. States in which only commercial banks and savings and loan associations exist generally have lower per capita savings. Of the 10 leading states in terms of savings accounts as a percent of personal income, nine have savings banks as well as commercial banks and savings and loans. Further, all of the 17 mutual savings bank states, with the exception of one, are among the 24 states with the highest percentage of savings accounts in relation to personal income. It should also be noted that the total volume of savings accounts in the savings bank states amounts to nearly three-fifths of the United States total. This suggests that the potential for savings in the areas with rising personal income has not been fully tapped by existing institutions.

Surely the benefits that have resulted from vigorous thrift, promotion and competition for savings in the 17 mutual savings bank states should be made available in all other areas of the nation.

Competition Is No Deterrent

The fact that new savings banks would compete with existing institutions should not be a deterrent to Federal chartering. Competition has nourished and advanced our economic life. It is part of our basic economic tradition of opening new areas for expansion rather than restricting markets, of maximizing freedom of choice, of constantly refreshing the basic forces of supply and demand. New savings banks would provide families in the expanding areas of the United States with the same choice of institutions in which to place their savings as now are offered families in one-third of the nation. Of course, these new savings banks would compete with existing institutions even as there is competition among many types of institutions in the 17 mutual savings banking states. But this competition has been good for the institutions and equally good for the saver. The same benefits from competition can be expected to result with Federal chartering of mutual banks, particularly so since the proposed legislation specifically provides that a Federal mutual savings bank can be established only if, and I quote, "its operation will not unduly injure existing thrift institutions."

In considering the possibility of generating an increased flow of savings by establishing new savings banks, there are two other factors that should be mentioned. First, commercial banking has only in relatively recent times found it profitable to operate savings account departments. And not all commercial banks do so. In fact, 1,400 have no savings accounts at all and another 1,000 offer no interest to savings depositors. Further, those that in recent years have considered it desirable from the standpoint of their stockholders to emphasize savings may, today or in the future as conditions in the money market fluctuate, wish to de-emphasize savings. An increasing number of studies by university economists conclude that promoting thrift is unprofitable—even in today's tight money markets. Mutual savings banks, on the other hand, are specialists in thrift and have as their first objective, the promotion of thrift through good times and bad.

Why Savings Must Be Promoted

The second point to consider in judging the need for new thrift institutions is somewhat more difficult to pinpoint. There is sufficient data to suggest that over the past decades the ratio of personal savings to disposable income has remained relatively stable. This would seem to make futile any new effort to promote additional savings. We question this conclusion. In the first place, we cannot be certain of the ratio of personal savings to income until we provide all sections of the country with equal facilities for savings. Let us first provide equal facilities before resigning ourselves to present levels of savings.

Moreover, if savings are not promoted as vigorously throughout the country as spending and borrowing, how long can we expect the present ratio of savings to income to continue? Many of the new families being formed in the non-mutual savings bank states are experiencing steadily rising levels of personal income. Thus, they are particularly susceptible to pressures to buy and to borrow. We have no quarrel with those who develop new methods for selling and new forms of credit. New and novel pressures and motivations to spend, however, must be balanced by new and novel opportunities to serve, if the forces in our free competitive markets are to function effectively.

Two more points should be made. One is in the area of home financing, the other in the broad area of building a financial system capable of supporting the strains that an expanding economy will place on it.

Notes Where Higher Mortgage Rates Prevail

Mutual savings banks, after they have taken care of the needs of their own communities, have little difficulty in finding outlets for their supply of mortgage credit in the non-mutual savings bank states. In the past decade they have become the prime lenders in the Federally underwritten mortgage market. Does this not indicate the present inadequacy of housing credit in those states where only commercial banks and savings and loans operate? I need only point to the higher cost of home financing in the non-mutual savings bank states to indicate that the demand for mortgage credit usually exceeds the supply. If mortgage credit were as available in the 33 non savings bank states as it is in the 17 savings bank states, we would see mortgage rates level out nationally and actually decline, with little difference in the cost of home financing among the different geographic regions.

In introducing the Federal charter bill, United States Senator John Sparkman referred to an article by Dr. Arthur Upgren, in which this noted economist called attention to the tremendous demands that would be made on our banking system in the decade ahead. Dr. Upgren declared, and Senator Sparkman agreed, that the long-term trend in our national economy is one of growth and expansion and that there is great need to sustain these trends by creating a banking system capable of supplying the money, the credit, and the services that will be imposed by such growth. Surely a national thrift system, founded on the principles of the present savings banking industry, would help to build a natonal financial structure that can better carry the burdens of a dynamic economy.

Federal chartering of mutual savings banks has great potentials in the fostering of higher levels of savings, increasing the total supply of mortgage funds, and improving the distribution of these funds throughout the nation.

The National Association will utilize its research facilities, its public relations programs, and its 13 standing committees to extend a system of thrift that has weathered the good times and the poor times of nearly 150 years of American life.

Conclusion

In conclusion, let me state that valuable as we consider the Federal charter bill, we cannot expect action over night. The chartering of Federal mutual savings banks is an extremely significant step in the evolution of the American banking system. We must not expect immediate action by the Congress. A bill of such importance requires careful analysis by the Federal executive agencies and the legislative branch. We also seek the advice, suggestions, and support of related financial institutions.

Although realism demands that we do not become unduly optimistic at the possibility of enactment of the Federal chartering legislation in the next Congress, the National Association will continue to tell the mutual savings banking story wherever a forum is made available. We will attempt to educate various persons and groups in the benefits that will come to our country through the stimulation of thrift and the encouragement of home ownership through a national system of mutual savings banks.

*An address by Dr. Ensley before the Savings Bank Women of New York, New York City, Oct. 19, 1960.

Birr & Co. Branch

RENO, Nev.—Birr & Co., Inc. has opened a branch office at 195 South Sierra Street, under the management of Chester V. Emmons. Robert H. Doolittle is also associated with the new office. Mr. Emmons was formerly local manager for Walston & Co. Inc., with which Mr. Doolittle was also connected.

Now Groff Investments

SALT LAKE CITY, Utah — The firm name of Rocky Mountain Securities has been changed to Verne E. Groff Investments. Offices are now located at 1735 South Main Street.

Halle & Stieglitz Appoint

NEWARK, N. J.—Halle & Stieglitz has announced the appointment of William E. Ryan as Resident Manager, Arthur Malanga, as Office Manager, and John M. [illegible]ler as Co-Manager of the Newark office, 48 Commerce Street.

STATE OF TRADE AND INDUSTRY

Continued from page 4

million units), Detroit has enough steel to keep going into 1961's first quarter.

More paring of metal stocks is ahead, *Steel's* quarterly survey of metal buyers also indicates. Nearly a third of the purchasing agents polled plan to cut inventories of metal mills products through April 1.

Last week, steelmakers operated their furnaces at 51.7% of capacity, 2.5 points below the previous week's revised rate. Output was about 1,473,000 ingot tons, the smallest production in a non-holiday week this year.

Steel's price composite on No. 1 heavy melting grade of scrap declined $1 a gross ton to $29.17. The market is now at the lowest level since August, 1954.

This Week's Steel Output Based On 51.4% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of steel companies will average *91.1% of steel capacity for the week, beginning Nov. 7, equivalent to 1,464,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *92% and 1,478,000 tons in the week beginning Oct. 31.

Actual output for last week beginning Oct. 31, was equal to 51.9% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage of this week's forecast based on that capacity is 51.4%.

A month ago the operating rate (based on 1947-49 weekly production) was *98.3% and production 1,579,000 tons. A year ago the actual weekly production was placed at 1,291,000 tons, or *80.4%. 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.

Electric Output 7.4% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 5 was estimated at 13,982,000,000 kwh., according to the Edison Electric Institute. Output was 99,000,000 kwh. above that of the previous week's total of 13,883,000,000 kwh. and showed a gain of 963,000,000 kwh., or 7.4% above that of the comparable 1959 week.

Compact Car Is Now the Measuring Yardstick for Future Production

The compact car is reshaping U. S. auto output and is importantly dictating current production trends for the major manufacturers, *Ward's Automotive Reports* said.

Ward's said that while November car output is being pruned below the 600,000-unit level from 617,816 in October, production of the compacts was expected to increase of 33.5% from 32.5% of industry volume over the two months.

The statistical service said GM Corp. is now devoting 19%, Ford Motor Co. 35%, Chrysler Corp. 32% and American Motors and Studebaker-Packard Corp. each 100% of their production to compact cars, and added:

"With over 600,000 compacts scheduled for the October-December quarter, such cars will in that brief period reach 80% of the 755,000 economy cars produced in entire 1959."

Ward's said the compact car plants are among the steadiest operators in the network of 49 assembly points and were the major factor in carrying Michigan auto output in the 1960 model year to a three-year high of 30.9% of industry. In 1959 Michigan garnered only 28.3%.

Scheduled for U. S. plants this week, said *Ward's*, were 145,607 passenger cars compared with 150,019 last week. Fully 33.4% of this week's volume were compact models and entire November is being programmed for 200,000 such completions.

Ward's said the U. S. compacts are continuing to stem the import auto tide, forcing such sales back to the 40,400-unit level in September from 42,500 in August and the 1960 high of 50,300 in March.

Ward's said that while some of the U. S. compacts evidence sales softening, this is due to increasing competition from U. S. brands.

With 1,585,573 U. S. compacts built in the January - October period, such production for entire 1960 is expected to barely miss the 2,000,000 mark—a volume that imports into the U. S. reached only in June this year and required 13 postwar years to attain.

Car Loading for Week Up 5.6% Over Last Year

Loading of revenue freight for the week ended Oct. 29, 1960, totaled 620,712 cars, the Association of American Railroads announced. This was an increase of 32,936 cars or 5.6% above the corresponding week in 1959, which was affected by the nation-wide strike in the steel industry, but a decrease of 54,279 cars or 8% below the corresponding week in 1958.

Loadings in the week of Oct. 29, were 16,559 cars or 2.6% below the preceding week.

All districts reported increases compared with the corresponding week in 1959 except the Central-western and the Southwestern. All districts reported decreases compared with the corresponding week in 1958.

There were 11,918 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Oct. 22, 1960 (which were included in that week's over-all total). This was an increase of 2,909 cars or 32.3% above the corresponding week of 1959 and 5,213 cars or 77.7% above the 1958 week.

Cumulative piggyback loadings for the first 42 weeks of 1960 totaled 450,356 for an increase of 114,567 cars or 34.1% above the corresponding period of 1959, and 232,268 cars or 106.5% 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.

Lumber Shipments for Week Were 5.1% Below Production

Lumber shipments of 455 mills reporting to the National Lumber Trade Barometer were 5.1% below production during the week ended Oct. 29, 1960. In the same week, new orders of these mills were 8.3% below production. Unfilled orders of reporting mills amounted to 25% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 14 days' production at the current rate, and gross stocks were equivalent to 53 days' production.

For the year-to-date, shipments of reporting identical mills were 2.9% below production; new orders were 5.5% below production.

Compared with the previous week ended Oct. 22, 1960, production of reporting mills was 0.5% above; shipments were 2.2% below; new orders were 3.5% below. Compared with the corresponding week in 1959, production of reporting mills was 15.5% below; shipment were 13.4% below; and new orders were 13.2% below.

Business Failures Down Slightly In Week Ended Nov. 3rd

Commercial and industrial failures dipped to 317 in the week ended Nov. 3 from 331 in the preceding week, reported Dun & Bradstreet, Inc. Although casualties remained noticeably heavier than last year when 265 occurred, they fell below the 331 in the similar week of 1958. Business mortality came close to its prewar level of 318 in 1939.

Liabilities of $5,000 or more were involved in 285 of the week's failures, dipping from 297 in the previous week but exceeding the 226 of this size a year ago. Small casualties, those with losses under $5,000, were off to 32 from 34. Thirty-eight of the failing businesses had liabilities in excess of $100,000 as against 39 a week earlier.

Wholesale Food Price Index Shows Second Weekly Advance in a Row

For the second consecutive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose in the latest week and was up somewhat from a year ago. On Nov. 1 it advanced 0.3% to $6.03 from the week earlier $6.01, and was 1.5% above the $5.94 of the corresponding date last year.

Moving up in wholesale cost this week were wheat, rye, hams, bellies, butter, cottonseed oil, rice, and raisins. Lower in price were flour, corn, oats, barley, lard, eggs, and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Trade Slightly Exceeds Year Ago

With seasonable temperatures in many areas stimulating interest in winter apparel and other merchandise, over-all retail trade advanced slightly in the week ended Nov. 2 from the similar week a year ago. Year-to-year increases in women's apparel, food products, and new passenger cars offset declines in men's apparel, furniture, and major appliances. The call for floor coverings, draperies, and linens remained close to last year.

The total dollar volume of retail trade in the week ended Nov. 2, was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: South Atlantic +2 to +6; West South Central +1 to +5; Middle Atlantic and West North Central 0 to +4; New England, East North Central, and Mountain —1 to +3; East South Central and Pacific Coast —2 to +2.

Nationwide Department Store Sales Up 3% From 1959 Week

Department stores sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Oct. 29, 1960, show an increase of 3% over the like period last year. In the preceding week for Oct. 22 a increase of 4% was reported. For the four weeks ended Oct. 29, a 1% increase was reported. The Jan. 1 to Oct. 29 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Oct. 29 showed an increase of 5% over the same period last year. In the preceding week ended Oct. 22, sales were unchanged over the same period last year. For the four weeks ending Oct. 29 a 4% increase was reported over the 1959 period, and from Jan. 1 to Oct. 29 there was a gain of 6% above the level achieved in the 1959 period.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks swayed wildly following the national election to contribute an erratic note to the week's proceedings. But whether the gyrations were in response to the election results was far from clear.

Both the market and the election results were indecisive for a bit once stock trading resumed after a one-day close-down, and selectively easier prices had been posted even before the election outcome was officially reported.

The action, as far as the industrial average was concerned, was oddly similar to that early in October when an over-sold list rallied for seven sessions out of eight, reaching a recovery peak of 596 for a 23-point gain, and bumping into resistance around the 600 level.

The rally that set in at the end of the month carried the average back a score of points, reaching 600 once again for a new recovery peak.

Uncertain Election Reactions

Where the election fits into this picture is definitely moot.

There have been emotional reactions by the stock market to national elections, the glaring example being the 1948 surprise upset after all the surveys had predicted a runaway for the Republicans. So traders, and particularly the veterans, are not unaware of the possibility of such events. That makes for a cautious approach to the market.

More comprehensive studies of the stock market and elections throughout history mostly point up that whatever party takes over, or what surprise elements are present, they have little long-range influence on stock prices.

If business is good, the market does better, and vice versa. That even held during the New Deal with which Wall Street was hardly in ardent sympathy. So the national balloting has finally settled down into merely a confusing influence in recent years.

Making everything even more obscure this year was the extremely close contest, a not-too-clear position of the candidates on the oil depletion allowance which contributes greatly to their cash flow, the fact that defense expenditures necessarily must continue to dominate the over-all economy, the lag between the take-over by a new Administration when the basic policies become clear, still-lagging profit picture, etc.

For those who try to look ahead the election had been discounted in advance. Any new attempts to give the economy a shot-in-the-arm are generally conceded as taking from three to six months or more to become effective, by which time business is seen as being on an upturn by its own. So the choice of the electorate is largely academic.

The Inflation Factor

Any extreme actions to bolster the economy could well spur a new round where people find stocks "inflation hedge" items, infinitely preferable to cash.

The market's moves up and down recently have continued to be so selective that there are many items of good value, much promise and little in the way of overvaluation on which to contend.

Former Defensive Issue Now "On Offensive"

Corn Products, which is usually included in the lineup of Blue Chip issues, once was noted mostly as a defensive income item without much in the way of growth potential. But the world's largest corn refiner has been spreading its wings, its last important acquisition being Best Foods in 1958. That logically led to both acquisition and consolidation expenses, so that while sales last year were up 4% to better than three-quarters of a billion dollars, earnings about held steady at $3.04 a share against $3 the year earlier. But such expenses are over, seemingly, and on the basis of interim results this year's full results should run around $3.50 and on to $4 next year, to put a new air of growth into it. This indicates an improvement in its indicated $2.20 dividend.

On the Unlisted Market

There has been some attention paid to items listed elsewhere than on the New York Stock Exchange which, at times, is swayed so unnecessarily by the action of limited averages. One item that has rolled up an impressive record in the unlisted market is the old New York Water Service Corp., currently renamed Utilities & Industries Corp. In a decade the book value and earnings of the company have both been lifted some seven-fold but a five-fold increase in the market price would still seem to be lagging behind the company's actual improvement.

One thing mitigating against wider market appreciation of Utilities & Industries is that it has constantly been losing water utility properties to local authorities in the decade. But the millions received from such condemnations haven't been wasted and are invested in such as a community TV antenna system, a containership operation, a cellulose company in Brazil, participation in the oil business and financing operations.

Shares of Utilities & Industries are limited, nearly one-third of the 1,861,000 outstanding acquired by its own subsidiaries in recent years and some 450,000 held or controlled by directors. Its dividend policy is a frugal one, the company admittedly conserving cash to build up its investment potential. Its success in the past, despite trials, gives it a good chance to be a capital gains item in the future.

Oils Re-Awakening

Shares of prime oil equities, for the first time in a long while, have shown some sustained investor interest and revived attention on the part of the larger investment companies to hint broadly that they have reached something of a bottom, at least temporarily. One that has been prominent in posting new highs for the year has been Phillips Petroleum, long laggard despite its important participation in the chemical business and in natural gas. Both of which fields have been popular ones with investors in other issues at the same time Phillips was lying neglected.

Most of the oil companies, if not showing good year-to-year earnings increases, are at least holding the line at a time when other industries are clearly indicating that the prevailing climate is one of definitely pinched profits. To some the profit capability of Phillips is such that it is a candidate for a dividend boost.

Paper stocks have also some inherent value that hasn't drawn much in the way of investor interest in some time. Oxford Paper has been making progress in getting new facilities going profitably, was able to show a good boost for the nine months over last year to make it stand out in the dreary run of earnings reports in other lines and still has a large mill that is not yet contributing to profits, so its potential is by no means exhausted.

[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.]

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The "bills only" or "bills preferably" policy of the Federal Reserve Board in open market operations was changed last week for the first time since the week ended July 23, 1958. The Federal Reserve Banks bought Government obligations in large amounts for the period ended Nov. 2d, but this time these purchases included certificates, notes, and bonds, in addition to Treasury bills.

The "bills usually" policy which the Federal Reserve Board has been using exclusively for more than two years now has been under criticism for a long time from many money market experts. These purchases of short-term issues only has pushed down near-term rates to such an extent that it has aggravated the loss of gold by this country. In addition, the purchases of Treasury "bills only" for open market purchases has been more favorable to the large money center banks than it has been to the smaller out-of-town institutions. A shift in policy to longer term issues would take some of the pressure off short-term rates and would be more favorable to the middle and long term issues.

The refunding operation with $9,096,000,000 of the 3¼s, $1,207,000,000 of the 3¾s and only $541,000,000 in cash coming out of it was in line with expectations. It was a very successful undertaking.

Investors Continue to Favor Bonds

The interest in fixed income bearing obligations continues to expand because those investors who have funds are putting more of this money to work in bonds. This means that purchases of corporate tax-exempt and Government bonds are being stepped up by institutional buyers who had been making most of their commitments in the recent past in common stocks.

It is evident that investment psychology has undergone quite a change in the past several months, especially since the inflation fears have been relegated to the background. This has resulted in the purchases of bonds at the expense of equities because the latter type of obligation appears to have lost some face at least with not only institutional investors but also with individuals as well. As long as there is not a need to hedge against the forces of inflation, the demand for common stocks has decreased substantially. Moreover, the income available in bonds is much more attractive than the return which is obtainable in equities.

Brake on Interest Rate Decline

It is believed that as long as there is the excess capacity to turn out the goods and services that are required, and world conditions are as competitive as they are now, there will not be any inflation fears unless the fiscal policies of the Government should revive it. This would seem to indicate that the bond market should continue to attract funds even though the course of interest rates appears to be in a downward direction.

However, it is not expected that the decrease in interest rates will be too substantial since there are limits beyond which the cost of obtaining funds cannot go because of the international position of the dollar. This assumption is being made upon the premise that the economy is only in a rolling readjustment and does not go into a tailspin. In event the business pattern should get considerably worse there would most likely be a sharp decline in the rates of interest and the availability of credit would be stepped up rapidly.

Recent Treasury Favorites

The refunding issues are still attracting funds, especially the 3¾% due May 15, 1965, since this issue appears to meet the intermediate term requirements of not a few institutional investors. It is evident also that there have been purchases of selected 1964 and 1965 maturities by these same buyers since the return is attractive in these issues. Commitments are also being made in the 3¼s of Feb. 15, 1962, by some institutional investors, but this appears to have been more of a rounding out process, since most of the 3¼s were obtained in the refunding operation by these buyers.

The longer term Governments are being spot-purchased by institutions since they are still able to do better from the income angle in corporate or tax-exempt bonds. Nonetheless, there have been stepped-up takings of the World War II 2½s because not a few money market specialists believe that another "forward refunding" offer will be coming in the not too distant future. This kind of thinking also is apparently responsible for some of the buying which is being done in the middle-term maturities.

The most distant Government bonds are still being accumulated by pension funds, which have been the principal buyers of these issues for quite a while. Again, it is reported that the 3½s of 1998 and 1990 are the ones with the appeal for these funds, even though the 3s of 1995 continue to be aquired by state pension funds in fairly good volume.

Cleveland Analysts to Hear

CLEVELAND, Ohio—George E. Hatmaker, Vice-President and Secretary of the Franklin Life Insurance Company will be guest speaker at the luncheon meeting of the Cleveland Society of Security Analysts to be held Nov. 16 at the Mid-Day Club.

Twin City Inv. Women to Hold Meeting

MINNEAPOLIS, Minn.—The next meeting of the Twin City Investment Women's Club will be held Wednesday, Nov. 16, at 5:30 p.m. at the Midway Motor Lodge, St. Paul, Minn. Robert T. Jorvig, Executive Director of the Minneapolis Housing and Redevelopment Authority will speak on the "Minneapolis Gateway Center and Glenwood Redevelopment Areas." This will be "Bosses' Night" and members of the Club arei nvited to bring their employers.

A film, entitled "The Minneapolis Story," sponsored by the Farmers & Mechanics Savings Bank of Minneapolis, will also be shown.

IDAC Honors Dr. MacKenzie

University of British Columbia was awarded the Investment Dealers' Association of Canada Certificate for "outstanding public service in Investment Education" by Eric S. Morse, Investment Dealers' Association of Canada President, at a luncheon meeting in Vancouver. In making the presentation to Dr. N. A. M. MacKenzie, University of British Columbia President, Mr. Morse stated "the University of British Columbia has made a profound contribution to one of our principal objectives — instructing the public about the investment process and the oportunities that are available to Canadians."

American S. E. to Make Nominations

The Nominating Committee of the American Stock Exchange will hold open meetings Nov. 16, Nov. 30 and Dec. 7 to receive nominations for offices which are to be filled at the Annual Election on Monday, Feb. 13.

Offices to be filled are Chairman of the Board; five members of the Board of Governors, who are members of the Exchange, and four members of the Board, who are associate members of non-member principals of regular and associate member firms, and trustees of the gratuity fund.

With Copley & Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Roger W. Collins has become affiliated with Copley and Company, 1600 Ogden. He was formerly with Ladet and Company, Inc.

Coughlin Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Robert R. Powell has been added to the staff of Coughlin and Company, Inc., Security Building, members of the Midwest Stock Exchange.

Joins Mullen Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—William M. Pendelton has become connected with the J. K. Mullen Investment Co., 621 Seventeenth Street.

Now With Kohlmeyer

(Special to THE FINANCIAL CHRONICLE)

MACON, Ca.—Marshall F. Keen has joined the staff of Kohlmeyer & Co., Dempsey Hotel. He was previously with Courts & Co.

With Granbery, Marache

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — David Troderman has become connected with Granbery, Marache & Co., 45 Milk Street.

The Way of the Dollar

By Paul Einzig

An expert on international financial exchange, writing on the eve of our Presidential election, surmises what will likely occur to the dollar if either candidate wins. The reason why Senator Kennedy's belated views on the fixity of the U. S. A. gold price is viewed suspiciously and, thus, why his victory would tax the outgoing Administration's efforts to strengthen the dollar during the interregnum, no matter what it did, is contrasted with the likelihood of the dollar's recovery and sterling's weakening had Vice-President Nixon won. Dr. Einzig is convinced that Senator Kennedy's economic advisors will emerge from the campaign with sadly diminished statures.

LONDON, Eng.—At this writing, the U. S. election scare which has dominated the international money markets for the last two months, is approaching its climax. It will be a great relief to all who attach importance to international financial stability when it is all over. Week after week the gold outflow from the United States is causing concern, and the attitude of the London gold market is looked upon as the barometer of the situation. In both respects the developments of the last week or two have not been as bad as they might have been. The gold outflow, though substantial, has not been spectacular. At for the London price of gold, after the spectacular flare-up towards the middle of October, it displayed no very decided trend.

It is, of course, always possible that an acute crisis might develop during the next few days. But time is now too short before the election for such a crisis to assume really damaging dimensions. It seems practically certain that on election day the American gold reserve will be still above $18 billion. And it seems probable at the time of writing that the London price will not rise materially above the figure reached in recent days.

What Will Happen After The Election

The question is, what will happen after the election result is announced. The international financial markets will have to prepare for a shock whichever way the American electorate's decision will go. If Vice-President Nixon is elected there would be bound to be a violent reaction in favor of the dollar. There would be wholesale repatriations of American and foreign funds withdrawn in anticipation of a Democratic victory. The resulting demand on the dollar would react unfavorably on some other currencies, amongst them on sterling. During the last few months the British balance of payments has been bolstered up by the influx of capital from New York which has concealed the effects of a deterioration in the foreign trade position and those of overlending abroad. Only part of the influx has been preserved in the form of an increased gold reserve. This means that, if and when the flow of funds is reversed, the losses of gold are likely to exceed the gains of recent months, which were in any case remarkably small compared with the gold losses of the United States.

Even so, the recovery of the dollar would be greeted with relief throughout the Free World, even if it should take place at the expense of a weakening of sterling and other currencies. The overwhelming importance of being able to rely on the dollar implicitly is generally realized. Sterling survived so many weak spells since the end of the War that one attack more or less would not be looked upon as all-important. It would be a great relief to see the dollar back on its pedestal once more.

Suspicion Lingers

Should the Democrats win, on the other hand, it seems probable that the adverse pressure on the dollar would continue. Senator Kennedy's declaration against the devaluation of the dollar was, of course, a welcome step. It was, however, at least two months overdue. It is, indeed, most remarkable that, although he has the benefit of the advice of some of the best brains among the American economists, he should have been so ill-advised as to wait till the eleventh hour before deciding to commit himself to such a declaration. It is undoubtedly better late than never. But understandably enough, there is much speculation in London and in other financial centers about the reasons behind his remarkable reluctance to commit himself.

The conclusion reached—rightly or wrongly—in many quarters is that he was advised until the last minute to keep the door open for a devaluation, and that it was only in face of the obvious unfavorable effects of this attitude on the dollar that he eventually decided to come off the fence on the side of resistance to devaluation. Not unnaturally many people are therefore inclined to wonder if this conversion is sincere.

As a result of the prolonged hesitation to adopt a definite attitude towards devaluation Senator Kennedy, if elected, would be bound to find it extremely difficult to mitigate the wave of distrust provoked by his attitude before the election. In any case, there will be the fateful gap of two months between his election and his assumption of office. Those two months would be a free gift to international speculation. No matter what steps the outgoing Administration would take to strengthen the dollar, they would be looked upon as purely temporary. No matter how firm undertakings the President-elect would give prior to his assumption of office, his long hesitation during the greater part of the electoral campaign would be remembered.

Economic Advisors Pull Kennedy Down

Many people suspect mental reservations behind the promises not to devalue. Even those who would accept his sincerity would look upon the future of the dollar with pessimism. For they would ask themselves, if he really meant what he said why was it that he did not say it much earlier? It would be widely felt that since his advisers failed to enlighten him about the fatal effect of his prolonged silence, they are not fit to advise him when in office. The prospects of the fate of the dollar being in such hands would not be likely to inspire confidence abroad. Whichever side will win the election, Senator Kennedy's economic advisers will emerge from the contest with sadly diminished statures.

Form Plans Incorporated

WASHINGTON, D. C.—Plans Incorporated of Washington is engaging in a securities business from offices at 5301 Wisconsin Avenue, N. W. Officers are Martin L. Burke, President; Theodore K. Chamberlain, Executive Vice-President; Lewis C. Burwell, Chairman and Treasurer, and Homer S. Davis, Vice-President and Secretary.

Tax Problems for the 1960's

By Seymour E. Harris,* *Littauer Professor of Political Economy, Harvard University*

Much that we do in the way of tax and government spending policies is criticized by Dr. Harris in advancing his contention that fiscal policy is a more potent weapon than monetary policy. The economist fully subscribes to the counter-cyclical theory of tax cuts and increased spending during a downturn, and vice versa during recovery, and prefers direct rather than general measures when treating hard core unemployment. State and local governments, he adds, need to be relieved of some of their responsibilities, and those States that pay more Federal taxes than they receive should get more back when coping with such a problem as unemployment. Dr. Harris doubts our tax burden has seriously impaired the savings incentive. He states the Treasury should float long-term issues during boom periods and not place financing costs ahead of the economy's health.

The Emergence of Fiscal Policy

It is a long time since Adam Smith gave us the four maxims of taxation: equality, certainty, convenience for the taxpayer, and economy in collection. Above all, funds must be adequate to assure the financing of the necessary functions of government.


Dr. S. E. Harris

In the latter part of the nineteenth century and the early twentieth century the distributive effects of taxation received increasing attention. But in the last generation the emphasis has been more and more on fiscal policy, the effects of tax, spending and debt policy upon the economy. To Lord Keynes more than anyone else we owe this recent shift of emphasis.

Government spending and taxing had some effects on the economy in the nineteenth century, but the part played by fiscal policy was bound to be relatively small.

Following the collapse of 1837, Federal expenditures declined by one-third. Receipts continued to rise in the first two years after the collapse of 1837, and it was not until 1840 that a decline of receipts of $12 milion exceeded the reduction of expenditures at $2.5 million, and Federal fiscal policies began to contribute toward recovery.

In general, modern fiscal theory seeks a rise of outlays and a reduction of taxes in recession periods, thus offsetting the decline of outlays in the private economy; and vice-versa in periods of boom.

The Great Depression, of course, is so recent that little need be said. In the years 1930-1932 expenditures rose by substantial amounts. But in the crucial year 1933, despite the 12 or 13 million unemployed, expenditures actually declined by $670 million, and receipts continued to rise. Unfortunately, receipts rose by $144 million in 1930, but the country was saved from further disaster by very large declines in receipts of $996 million in 1931, and a further decline of $1,184 million, or about one-third, in 1932. However, unfortunately, receipts actually rose by $74 mililon in 1933.

The theory that the way to deal with a great depression is to superimpose government deflation on private deflation proved to be unacceptable. As total expenditures declined and receipts increased as in 1933, with production down 40% and unemployment at record levels, the country was clearly on the road to disaster.

This brief historical survey does reveal tax and spending policies that a times would seem to please supporters of modern theory. The nineteenth century system did not have the built-in flexibility of our modern system. Nor is it very clear that, even in the 1950's, modern fiscal policies generally were accepted except by economists.

Fiscal Policy Under Eisenhower

In the last few years, the President and his Secretaries of the Treasury have come out strongly against any attempt to cut taxes in the midst of a recession. More than once the President and his Secretary of the Treasury have said the only time to cut taxes is when there is a surplus. Most economists would say that, in periods of exuberance, the proper approach is to increase taxes, not to reduce them.

As we look ahead we hope that economists will increasingly get across the message that Federal spending, and tax and debt policies should be used to improve the economic situation. Hence we would hope that taxes would be cut in periods of recession, and increased in periods of excess.

Tax Reductions, or Increase of Public Expenditures

In the early Keynesian days it was generally assumed that the appropriate approach to deal with a recession was to increase public expenditures. Then why all the emphasis on tax cuts rather than increased public spending? One reason is the greater attraction, for the average voter, of tax cuts than increased public spending. Another reason is that it is much easier to cut taxes than to increase expenditures. A program of public expenditures to treat a decline may often have the effect of accentuating an instability rather than reducing it. In some respects it is unfortunate that we put so much emphasis on tax cuts rather than increased public spending, especially in periods when our public welfare outlays have been rather below the required amounts. In general, public spending tends to be more favorable to low income groups than cuts in taxes, for generally taxpayers are of higher income levels than the beneficiaries of tax receipts.

Taxes and Growth

The yield of taxes depends upon the tax structure and upon the size of the national income. If the economy should grow by $200 billion by 1970 with good management, the yield of additional taxes should be in the order of $40 billion, with the Federal Government getting about two-thirds, and the state and local governments one-third.

Much will depend upon the rise in numbers on the labor market, the extent of the reduction of hours of work per week, the contribution of capital, our tax system, expenditures on education, research, and health, and the extent of unemployment. We must not periodically waste $50 billion or so through recessions in part brought on by restrictive monetary policies. If, indeed, the recessions come, as they are likely to, we need much more effective management in neutralizing the deflationary forces than we have had in the past.

One of the striking aspects of our economy since 1900 has been the fact that several times as much has been put into education as compared to machines, equipment, etc. Undoubtedly these large investments in education have more than paid their way. The importance of capital investment is that it makes possible the tremendous gains of technological advances.

It has been said that high taxes and resultant lack of incentives reduce the amount of savings and investment. Yet, in view of the large investments we have had since the end of the war, and in view of the large gains in output, it is not easy to justify the claim that the tax burden has been so heavy as to seriously impair incentives.

Should this economy produce, say, $700 or $800 billion of goods by 1970, it would be important that demand should be adequate to take these goods off the market. If taxes are very severe this may have adverse effects on savings and investment, and hence possibly on growth of the economy.

Tax Limits

How much taxes a country can stand depends upon the nature of its tax system; its structure; the spending pattern and the effective use of the tax dollar; the faith there is on the part of the public in the programs that are being pushed. A tax burden of 25% may be consistent in the United States with substantial growth, but 10% may stifle the economy (say) of Bolivia.

Trend Towards Direct Taxes

In recent years the tendency has been to use more and more direct taxes. Federal expenditures have become much more important in the last few generations and the Federal Government depends especially on direct taxes that respond to changes in economic conditions.

Furthermore, the share of state governments has risen greatly vis-a-vis that of local governments, and state governments rely more on direct taxes than local governments.

There are many arguments in support of the position that the Federal Government should collect taxes, relying largely on productive and equitable direct taxes, and distribute part of the proceeds to state and local governments. This would be especially helpful, because with the fear of interstate competition on the part of state and local governments, services are frequently starved.

State governments have depended especially on sales taxes and various kinds of excise taxes. These, of course, are more flexible in their yield than the general property tax, but not highly flexible. These taxes have become especially important since the Great Depression when ordinary sources of revenue tended to be disappointing. In periods of rising income and inflation the general property tax (GPT) is especially a casualty. Local governments depend almost wholly upon the property tax. The yield does not respond to the rise of prices and income.

Problems of State and Local Governments

State and local governments are likely to have increasing problems in the 1960's. Their debt and their expenditures have gone up about 300% since 1946 — a rise way beyond that experienced by the Federal Government. Education is one of their most serious problems, as might be suggested from the fact that since 1929 public school spending has gone up from $2 billion to $14 billion. These are responsibilities largely for state and local governments. In addition, there is the problem of higher education. Here again there is a need to increase expenditures from about $4 billion to about $10 or $11 billion by 1970.

Unless the Federal Government provides additional help for schools, roads, and urban redevelopment, the condition of state and local governments is likely to be precarious. Indeed, in higher education, the problem of finding $13-$14 billion additional for education per year is a tough one.

This does not mean that state and local governments cannot improve their fiscal systems. There are still a great many states that do not have an income tax, a corporation net income tax, or sales tax. In general, the tax systems of state and local governments put a higher burden on low incomes than on high incomes. This is justified to some extent by the progressive tax system of the Federal Government, but in many states this has gone too far. Where the economies grow steadily the problems are soluble; for with rising income tax, revenues continue to increase.

Large rises of population without corresponding job openings put an additional burden on the economy, because of the large payroll taxes that are required to finance unemployment benefits. Here again the intervention of the Federal Government has resulted in unfavorable conditions for one state against another, even though the unemployment compensation program was introduced on the theory that no state would gain a competitive advantage.

Relations of States With the Federal Government

In general, there is much to be said for the Federal Government pursuing policies which result in some states paying in taxes more than they get back in expenditures. It would be expected that a rich state like New York would pay in much more than it gets back. But it might also be expected that if any industrial state has special problems, like unemployment, the Federal Government would intervene and attempt to redress the balance to some extent. Here are a few states that suggest the issues:

Federal Tax Burden and Benefits From Expenditures, Several States, 1958

	Tax revenue by state of origin	Expenditures by state recipient or activity	Amount per $1000 personal income for all of U. S. Average Tax Rev.	Average Expenditure
California	$7,671,000	$9,653,000	$99	$118
Michigan	3,580,000	2,800,000	97	72
New York	10,101,000	7,565,000	112	79
Pennsylvania	5,325,000	4,472,000	104	82
Texas	3,484,000	4,402,000	97	114

In view of the difficulties that the State of Michigan, for example, has been having, something might be said for an improvement in our unemployment compensation program. Why should not the Federal Government, through loans or grants, make contributions to those states that have large amounts of unemployment? — and especially when those states make such large transfers on behalf of the other states in many other programs?

Summary

(1) Modern fiscal policy stresses the wisdom of raising taxes and reducing public expenditures with booms and inflation, and increasing public expenditures and reducing taxes in periods of decline. The theory behind this is that what government policy does to the national economy is more important than what it does to its own fiscal position. In fact, however, since the Treasury position depends on the state of the economy, correct fiscal policy should improve the condition of the Treasury.

(2) Not only should tax spending policies be oriented to the needs of the economy, but debt policy also should be thus used. The test of a sound debt policy is not merely the minimum cost. A smart government issues long-term securities in periods of boom and higher interest rates, even if more costly to the Treasury, so long as the additional costs to the Treasury are more than balanced by gains to the economy.

(3) An adequate fiscal policy and adequate growth would yield a national debt which need expand relatively little in relation to our growth. The reduction of the national debt from 109 to 51% of GNP in the last 13 years suggests the importance of growth — though half the gains unfortunately are related to inflation.

(4) The government has to learn:

A—The great potentialities of fiscal policy.

B—Government expenditures are not necessarily sterile and less productive than private expenditures.

C—Fiscal policy is a more potent weapon than monetary policy, which increases interest rates, starves the economy for money, is inequitable in its incidence, and contributes to millions of additional man-years of unemployment.

D—Adequate growth will yield the required level of taxes to provide the necessary public services, without recourse to deficit financing except in recession periods. (To be offset by tax surpluses in booms.)

E—In view of the tax problems of the state and local governments and their heavy responsibilities, and in view of the more productive Federal taxes, the Administration should refrain from putting more responsibilities on state and local governments, and in fact relieve them of some responsibilities.

F—The government should use direct attacks rather than attack the problem of depressed areas through general measures. The way to treat these areas with a hard core of unemployment is not to hope that the spill-over of Federal outlays will solve their problems. This is too expensive.

*Excerpts from an address by Mr. Harris before the National Tax Association 53rd Annual Conference, New York City

Harris, Upham Adds

(Special to The Financial Chronicle)

BOSTON, Mass.—Stephen L. Wald and John J. Bergin have been added to the staff of Harris, Upham & Co., 136 Federal Street. Mr. Bergin was formerly with Goodbody & Co.

Now With Josephthal

(Special to The Financial Chronicle)

BOSTON, Mass.—Saul L. Landey has become affiliated with Josephthal & Co., 120 Broadway, New York City. He was previously with du Pont, Homsey & Co.

Hayden, Miller Adds

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Frederick T. James has become affiliated with Hayden, Miller & Co., Union Commerce Building, members of the Midwest Stock Exchange.

Joins Mericka Staff

(Special to The Financial Chronicle)

CLEVELAND, Ohio — James C. Redinger has joined the staff of Wm. J. Mericka & Co., Inc., Union Commerce Building, members of the Midwest Stock Exchange.

MUTUAL FUNDS

BY ROBERT E. RICH

Old Man of the Mountains

In a business that was scarcely known to the general public until the years following World War II, it is highly unusual to come upon a company that is marking its silver anniversary—a Denver company, at that. To celebrate the event, Financial Industrial Fund has published a highly readable 28-page annual report.

Although the fund's charter permits investment in bonds and preferred stocks, holdings have been confined largely to common stocks. The longtime objective: growth of capital and income plus "reasonable current income."

While the 1930's, viewed historically, were excellent years, for launching investment programs, it is an unfortunate fact that FIF, like many another similar venture, had extremely slender resources in its formative years. Thus, total net assets at the close of the first fiscal year (Aug. 31, 1936) were less than $125,000. At the end of the latest fiscal year the total was well above $180,000,000.

For this department, at least, one of the most interesting aspects of the lengthy report now published by the Financial Men of the Rockies is the look at the portfolio in early 1936. What was tucked into that portfolio in the wake of the worst debacle in stock market history, which was to be followed the very next year by another major disaster?

Well, of gross assets totaling $53,000, $10,775 was in "cash and other assets"—better than 20% of the bundle. Indicative of the cautious nature of the men at the helm was the selection of American Telephone & Telegraph. They had bought 12 shares of AT&T, which had a market value of $2,070 and accounted for 3.9% of FIF's gross assets. Those shares (pre-split) sold at 172½ and gave scant cause for joy over the next 20 years. Now FIF owns 35,000 shares of Telephone, which has acquired fourth rank among institutional favorites and may one day top the list.

Also prime favorites in FIF's 1936 portfolio, which was made up of odd lots (75 shares of Standard Brands was the nearest thing to a round lot), were Air Reduction, Eastman Kodak, Libbey-Owens-Ford Glass, U. S. Smelting, Refining & Mining and United States Gypsum. Not far behind were Chrysler, Du Pont, Standard of Jersey, Caterpillar Tractor and Pittsburgh Plate Glass.

Running over the list of more than 30 stocks in that lean portfolio is bound to evoke admiration for the taste, judgment and insight of the men who got FIF off the ground. In a country beset by depression, relatively few people had the kind of faith in American industry that involved putting up money. And the few who had faith, unfortunately, had no money. But these men, not unmindful of the times, must have had implicit faith in U. S. industry. They also had the good sense to recognize class.

It stands out in most of the aforementioned issues, in addition to which there were Dow Chemical, Union Carbide, General Motors, General Electric, Kroger, J. C. Penney, General Foods and National Biscuit.

They were cautious men, too. They put more money into foods (over 11%) than any other industry. Chemicals were second favorite with 10% while building and oil shares, each with around 9%, followed. They bought only one railroad: Union Pacific (10 shares).

The 25th annual report reveals the largest concentration of common holdings to be in utilities, followed by oils, chemicals and electronics, which were not a factor in the pioneerng days.

And how have long time shareholders of FIF fared? Well, suppose that on Sept. 1, 1940, you had purchased one FIF share. For it you would have paid $1.66. The value of your share 20 years later would have been $4.13. Cash dividends from investment income during the two decades would have totaled $1.94. That, of course, is if you had taken your capital gains of $1.43 in cash rather than in shares. Now, suppose you had taken your capital gains in shares rather than cash. Value of your investment at Aug. 31, 1960, would have been $6.73 and cash dividends from investment income during the 20-year period would have totaled $2.45. Doing it this way, you would have accumulated 1.58 shares during the two decades.

That's the record—a highly respectable one. It goes a long way to explain why FIF enters its second quarter century with some 103,000 shareholder accounts. May the next 25 years be as constructive and prosperous!

Funds Report

Niagara Share Corp. puts net assets at Oct. 31 at $57,727,070, equal to $21.36, against $62,195,934 and $23.02 a share a year earlier.

* * *

Investors Mutual, Inc. reports that at the end of the Sept. 30 fiscal year total net assets amounted to $1,504,792,065 and net asset value per share was $10 on each of the 157,447,890 shares. This compares with $1,410,653,011 in assets and $10.18 a share a year earlier when shares outstanding totaled 138,564,746.

* * *

Johnston Mutual Fund, Inc. reports that at Sept. 30 net assets amounted to $14,663,133, or $12.60 a share, against $10,292,880 a year earlier. Capital shares during the year rose to 1,163,752 from 879,680. A capital-gains distribution of $40,962, or 45 cents a share, was disbursed in December, 1959.

* * *

Peoples Securities Corp. reports that at Sept. 30, end of the fiscal year, net assets were $6,266,026, equal to $16.89 on each of 370,949 shares. This compares with $3,913,212 and $15.64 on 250,140 shares a year earlier.

* * *

T. Rowe Price Growth Stock Fund, Inc. reports net assets on Sept. 30 totaled $34,787,037, or $13.46 a share on 2,585,281 shares. This compares with $23,898,614 of assets, $13.03 a share and 1,833,591 shares a year earlier.

* * *

Fidelity Fund reports total net assets of $365,278,188 for quarter ended Sept. 30, compared to $384,297,822 at the end of the previous quarter. During the quarter, shares outstanding reached 25,238,422, compared to 25,167,600 on June 30.

In the past quarter, new common stocks added to the portfolio were: Cenco Instruments Corp., Coastal States Gas Producing Co., United Biscuit Co. of America, and Zenith Radio Corp.

Securities eliminated from the Fidelity Fund portfolio were: common stocks of the Baltimore & Ohio Railroad Co., Bendix Corp., Bethlehem Steel Corp., Dresser Industries, Inc., E. I. du Pont de Nemours & Co., Libbey-Owens-Ford Glass Co., Reynolds Metals Co., Signal Oil & Gas Co., Wilson & Co., Inc., and Youngstown Sheet & Tube Co.

* * *

Techno Fund, Inc., a small business investment company specializing in financial and management aids to science-based firms, has committed an investment of $100,000 in the Keinath Instrument Co., Columbus, Ohio, Dr. Clyde Williams, President of the Clyde Williams Investment Management Co., Techno Fund's management agency, announced. Terms of the transaction call for Techno Fund to invest $100,000 in Keinath. Of this $25,000 will be through the purchase of common stock and $75,000 in the purchase of five-year debentures. The money will be used for expanding Keinath's manufacturing operations.

* * *

United Funds, Inc. declared a dividend of 7 cents a share from net investment income on United Science Fund shares. A distribution of 25 cents a share from securities profits was also declared. The dividend and distribution are payable Nov. 30 to shareholders of record Nov. 10.

At Sept. 30 net asset value of **George Putnam Fund of Boston** was equal to $14.24 a share, compared with $14.59 three months earlier and $14.11 on Sept. 30, 1959.

* * *

Incorporated Investors total net assets at Sept. 30 were $280,601,769 and shares outstanding 35,510,705. Net asset value a share was $7.90, against $8.63 at the close of the previous quarter.

* * *

The Pennsylvania Funds Corp., a retailer of leading mutual funds, reports October, 1960, sales of $2,659,788, which compares with sales of $1,645,027 in October of last year. This is a 61.7 increase. During the first 10 months of 1960, sales amounted to $25,004,007, which compares with $18,978,897, an increase of 31.5%.

* * *

Investors Planning Corporation of America's October sales volume amounted to $12,926,000, Walter Benedick, President, announced. Last month's business written bettered the $10,003,000 September total by 29.2%, but was 22.9% under the record $16,781,000 figures of October, 1959, Mr. Benedick disclosed.

* * *

An affiliate of the **B. C. Morton** group of companies, national mutual fund retailers, has entered into an agreement to purchase all of the stock of All States Management Co., investment manager and distributor of Lone Star Fund, Inc. Subject to approval by shareholders of the Dallas, Texas-based mutual fund and compliance with other legal requirements, the purchase is expected to become effective by the end of the year.

Lone Star Fund currently offers three classes of shares—common stock, insurance stock and balanced income. The common stock series serves as the vehicle for a monthly - payment contractual plan.

Two With Edw. D. Jones

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Elizabeth J. Shields and Benedict P. Talluto have become associated with Edward D. Jones & Co., 300 North Fourth Street, members of the New York and Midwest Stock Exchanges. Miss Shields was formerly with B. C. Christopher & Co. Mr. Talluto was with the Bank of St. Louis.

With Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Lee N. Loncosty has become associated with Walston & Co., Inc., 265 Montgomery Street. Mr. Loncosty was formerly with Zilka, Smither & Co. in Seattle.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Throughout the campaign, an issue against Vice-President Nixon was that he would have no influence with Congress because it would be overwhelmingly Democratic, and it would fail to give Nixon the same cooperation it gave to Eisenhower. The fact is that Kennedy will have no influence either. Which will be a good thing for the country.

This is a prediction. Mr. Kennedy won't be able to get Congressional approval of any part, or at least a large part of the radical program which the Democrats adopted at the Los Angeles convention. There will be a coalition of conservative Democrats, mostly Southerners, and Republicans fighting him all the day. The Southerners have been openly against the program; several of the Southern states have repudiated it. The campaign in the South was that, while they might go along with Lyndon Johnson as a southerner, they were doing so in the belief that we would be able to keep Kennedy's feet on the ground.

As a matter of fact, no Senator elevated to the Presidency has ever been able to get along with Congress. The intimacy which he has enjoyed with his fellow Senators compel them not to accept his new stature. This was true of Truman and was true of Warren G. Harding This close intimacy in the club makes all the Senators know each other, know their weaknesses, their foibles. And they can't bring themselves to recognize the greatness of one who has been in their midst.

An exception may have been the late Senator Taft. He commanded the respect of his colleagues as no other Senator has done. His colleagues have erected a monument to him near the capitol which tolls every 15 minutes.

Now that the campaign is over, Vice-President Nixon can lay his defeat to those TV programs. Kennedy was scarcely known but these programs gave him an exposure that he could not otherwise have gotten. Nixon's first appearance, too, was terrible. Nixon's most promising issue against Kennedy was that he was immature. The TV showed that he was quite as mature as Nixon.

Nixon was late in getting his campaign off the ground. His theory that votes are made in the last few weeks of the campaign was wrong. Jim Farley, that great elder statesman, has said repeatedly that all minds are made up long before this. And it takes a lot to change them.

One of the sad things which we are going to have to bear probably is the return of Chester Bowles to Washington. He has modestly retired from Congress in order to be available if Kennedy should need his services. Bowles will quite likely be in the cabinet; some people think as Secretary of State. He probably won't be that, but he will probably have some place in foreign affairs.

We can expect to see Walter Reuther, the labor leader, swing his weight around Washington, too. If he is not Secretary of Labor, he will name the man who is. He will have a key to the White House day and night. It is surprising that Nixon did not make more of this during the campaign.

Professor Arthur M. Schlesinger of Harvard, and Prof. John K. Galbraith, also of Harvard, will be close advisers, probably on the economists staff. I would not be surprised to see Prof. Coleman of the University of Minnesota become Secretary of Agriculture. He is the one who devised the Kennedy farm program which is so bad that even Henry Wallace denounced it.

It is going to be hard going except, as I pointed out before, the boy wonder won't be able to get very far because of opposition in Congress.

Mineral Inv. Co. Opens

HOUSTON, Texas—Robert A. J. Dawson is conducting a securities business from offices at 3733 Robinhood Drive under the firm name of Mineral Investment Company.

Now Homer Fahrner & Co.

SACRAMENTO, Calif. — Homer Fahrner is continuing his investment business from offices in the Jay Building under the firm name of Homer Fahrner & Co.

Investment Bankers Association of America 49th Annual Convention

The 1960 Annual Convention of the Association will be held in Hollywood, Florida, beginning on Sunday, November 27, and ending on Friday, December 2. The Hollywood Beach Hotel and The Diplomat will be the convention hotels. The former will be the headquarters hotel and the business sessions will be held there.

The first business session of the convention will be a Municipal Forum on Sunday afternoon. There will then be convention sessions each morning from Monday through Thursday. They will be addressed by the following guest speakers:

HENRY C. ALEXANDER, Chairman of the Board, Morgan Guaranty Trust Company of New York.

MILTON S. EISENHOWER, President, Johns Hopkins University.

CHARLES H. PERCY, President, Bell & Howell Company.

ELWOOD R. QUESADA, Administrator, Federal Aviation Agency.

In addition, there will be meetings of the Board of Governors and many of the National Committees of the Association will hold meetings and will present their annual reports at the convention sessions. No business sessions are planned for Friday, nor, with the exception of the Municipal Forum on Sunday afternoon and a meeting of the incoming Board of Governors on Thursday afternoon, are any planned for the afternoons, which will be left free for recreation.

Regular Ticket

The Board of Governors will submit to the convention the Regular Ticket for 1960-61, as follows:

FOR PRESIDENT

George A. Newton, *G. H. Walker & Co.*, St. Louis

FOR VICE-PRESIDENTS

Curtis H. Bingham
Bingham, Walter & Hurry, Inc., Los Angeles

David J. Harris
Bache & Co., Chicago

Thomas M. Johnson
The Johnson, Lane, Space Corporation, Savannah

Robert O. Shepard
Prescott, Shepard & Co., Inc., Cleveland

Walter H. Steel
Drexel & Co., New York

Convention Registration Fee

The registration fee for the convention will be $50 per person. Checks covering registration fees should be made payable to the Association and forwarded to its office in Washington with the form for convention registration and hotel reservations.

Hotel Arrangements

All reservations for rooms at the convention hotels should be made through the Association's office on the form for convention registration and hotel reservations. Confirmation of reservations will be made as promptly as possible, but due to the time required for processing them, there will necessarily be some delay in this connection.

Rates at both hotels will be on the American Plan and will be $40 per day for double occupancy and $25 per day for single occupancy. As the rooms which can be assigned for single occupancy will be limited, it is suggested that arrangements be made to share accommodations. If single applications should be excessive, it will be necessary to assign roommates.

Indicated preferences as between the two hotels will be followed to the extent possible, but it will, of course, be necessary to assign accommodations in accordance with the space available at each hotel. Those staying at one hotel may take their meals there or at the other hotel in their discretion. Frequent transportation between the two hotels will be furnished without charge.

A limited number of sitting rooms will be available at both hotels. Rates at the Hollywood Beach Hotel will be $10, $15, and $20 per day, depending upon size and location—at The Diplomat, $20 per day. In addition, a few apartments will be available at the Hollywood Beach Hotel. They are located in close proximity to the hotel, and are operated as an annex with full hotel service. Each apartment contains a double room and sitting room. Each sitting room contains a day bed so an apartment can comfortably accommodate three persons if desired. Rates (American Plan) will be $51 per day for two persons, $60 per day for three.

A limited number of early arrivals can be accommodated beginning November 19, and a limited number of reservations can be continued to December 4 at the Hollywood Beach Hotel, and to December 8 at The Diplomat. It will not be necessary for those concerned to make separate reservations for the pre-convention or post-convention period provided they indicate their arrival and departure plans on their reservation forms. It may, however, be necessary for them to change rooms at the opening or close of the convention. The American Plan convention rates will apply for those arriving early or staying over afterwards.

Requests for cabanas at the Hollywood Beach Hotel pool should be made through the Association's office. As the number available will be limited, it is hoped the members will combine their requests to as great an extent as possible. Each cabana will comfortably accommodate six or eight persons, and no application will be considered unless at least four persons are specified as occupants. The rate for a cabana will be $12 per day. Cabanas will also be available at The Dipolmat at the same rate, but it is not planned to accept advance reservations, and those desiring them should make their arrangements after arrival.

Convention Transportation

NEW YORK SPECIAL TRAIN

The route of the train in both directions will be Pennsylvania Railroad between New York and Washington, R. F. & P. Railroad between Washington and Richmond, Atlantic Coast Line Railroad between Richmond and Jacksonville, and Florida East Coast Railway between Jacksonville and Hollywood. The schedules will be as follows:

Going Schedule

Lv. New York	*Sat., Nov. 26*	11:00 a.m.
Lv. Newark	" " "	11:15 a.m.
Lv. North Phila.	" " "	12:31 p.m.
Lv. 30th St. Phila.	" " "	12:41 p.m.
Lv. Baltimore	" " "	2:10 p.m.
Lv. Washington	" " "	3.20 p.m.
Lv. Richmond	" " "	5:50 p.m.
Ar. Hollywood	*Sun., Nov. 27*	11:40 a.m.

Return Schedule

Lv. Hollywood	*Fri., Dec. 2*	12:07 p.m.
Ar. Richmond	*Sat., Dec. 3*	6:05 a.m.
Ar. Washington	" " "	9:05 a.m.
Ar. Baltimore	" " "	10:21 a.m.
Ar. 30th St. Phila.	" " "	11:51 a.m.
Ar. North Phila.	" " "	12:01 p.m.
Ar. Newark	" " "	1:20 p.m.
Ar. New York	" " "	1:35 p.m.

It is hoped the majority of those using rail service northbound will avail themselves of the special train schedule shown above. For those who cannot use the special, attention is called to the daily service of the "East Coast Champion" leaving Hollywood at 10:04 a.m., with arrival in New York at 10:50 a.m. the next day.

PULLMAN RESERVATIONS—Pullman reservations for the going trip should be made through the New York Transportation Committee, of which Philip D. Baker, White, Weld & Co., 20 Broad Street, New York 5, N. Y., is Chairman. One-way Pullman fares (including Federal tax) to Hollywood are as follows:

	D. Room 2 Persons	Compt. 2 Persons	Bedroom 2 Persons	Bedroom 1 Person	Duplex 1 Person
New York	$66.11	$48.68	$44.99	$37.07	$31.63
Newark	66.11	48.68	44.99	37.07	31.63
Philadelphia	63.64	46.92	43.34	35.75	30.36
Baltimore	59.07	43.62	40.43	33.28	28.22
Washington	53.19	38.12	35.04	30.14	25.41
Richmond	47.41	33.99	31.08	26.84	22.44

Certificates covering Pullman space will be issued in lieu of regulation Pullman tickets. Certificates will be mailed if applications are received promptly. Otherwise they may be picked up at the office of Philip D. Baker prior to 5:00 p.m. on Friday, November 25. Refunds cannot be made on cancellations which are not made prior to date of departure.

Pullman reservations for the return trip of the special train should be made through D. A. Kornhoff, Passenger Sales Representative, The Pennsylvania Railroad, Room 401, Pennsylvania Station, New York 1, N. Y., at the earliest possible date in order that satisfactory arrangements may be completed. If this is not possible, or if plans change, they may be made through the railroad representatives who will be present at the Hollywood Beach Hotel during the convention.

RAILROAD TICKETS—*Railroad tickets should be purchased from local agents.* Those in charge of going Pullman reservations will not be able to supply them. Round-trip railroad fares (including Federal tax) to Hollywood from points served by the special train are as follows:

New York	$129.61	Baltimore	$102.14
Newark	128.38	Washington	95.98
Philadelphia	116.11	Richmond	86.35

CHICAGO-ST. LOUIS SPECIAL CARS

Two special cars from St. Louis and one from Chicago will be operated on the "City of Miami," the route of which is Illinois Central Railroad to Birmingham, Central of Georgia Railway to Albany, Atlantic Coast Line to Jacksonville, and Florida East Coast Railway to Hollywood. The schedule will be as follows:

Lv. Chicago	*Fri., Nov. 25*	9:15 a.m.
Lv. St. Louis	" " "	10:17 a.m.
Ar. Hollywood	*Sat., Nov. 26*	4:50 p.m.

PULLMAN RESERVATIONS—Chicago reservations should be made through Matthew J. Hickey III, Hickey & Co., 135 S. La Salle Street, Chicago 3, Ill.—St. Louis reservations through Harry Theis, Stifel, Nicolaus & Company, 314 N. Broadway, St. Louis 2, Mo. One-way Pullman fares (including Federal tax) to Hollywood are as follows:

	Double Room 2 Persons	Compartmt. 2 Persons	Bedroom 2 Persons	Bedroom 1 Person
Chicago	$64.57	$46.26	$42.35	$36.58
St. Louis	60.06	43.01	39.55	34.21

It is not planned to operate special cars for the return trip and Pullman reservations for that trip should be made through local ticket agents.

RAILROAD TICKETS—*Railroad tickets should be purchased from local agents.* Those in charge of going Pullman reservations will not be able to supply them. Round-trip railroad fares (including Federal tax) to Hollywood are $119.35 from Chicago, $104.67 from St. Louis.

HOTEL REGISTRATION — BAGGAGE

Representatives of the convention hotels will travel on the special train and cars and will furnish passengers with slips indicating their hotel room numbers. Holders of such slips should present them to the floor clerk on the proper floor of the Hollywood Beach Hotel, or at the front desk of The Diplomat, where they will be given their room keys without registering and may then proceed directly to their rooms. The hotel representatives will also furnish passengers with baggage tags filled out with their names and hotel room numbers, which should be attached to each piece of hand baggage. Then, upon arrival all such baggage will be transported from the station by truck and distributed promptly to the proper hotel rooms.

AIR TRANSPORTATION

In view of the number of flights now available, it is believed that those wishing to fly to or from the convention can make their arrangements most satisfactorily through regular channels. Accordingly, no special flights have been arranged this year.

Marquardt With Cook Investment

CHICAGO, Ill. — Jerome F. (Jerry) Marquardt has become associated with the Cook Investment Company, 208 South LaSalle Street, members of the Midwest Stock Exchange. He has been a partner of William A. Fuller & Co., Chicago, since its organization in 1942.

Jerome F. Marquardt

Cook Investment Co. specializes in over-the-counter trading and maintains wires to Mitchum, Jones & Templeton in Los Angeles and San Francisco, to Barth Thomas & Co., Inc., in New York, H. B. Shaine & Co., Inc. in Grand Rapids and Bell & Farrell, Inc. in Madison, Wis.

Folkerth Named For AIB Post

DAYTON, Ohio — Acceptance of the nomination of Richard R. Folkerth, Assistant Vice-President, Winters National Bank and Trust Company of Dayton, Ohio, for candidate for membership on the Executive Committee has been disclosed by the American Institute of Banking. The election will be held at the June, 1961 AIB Convention in Seattle, Washington.

Mr. Folkerth has attained both Standard and Graduate Certificates, and is a graduate of the Stonier School of Banking. He has served the Dayton (Ohio) Chapter in all elective offices, including that of president, and has served as instructor of Institute courses. He was General Chairman of the District Twelve Regional Leaders' Conference in Dayton on Aug. 6, 1960, and has served on the Bank Management Committee of Ohio Bankers Association.

Mr. Folkerth has been associated with banking 26 years and is currently serving Winters National Bank in the capacity of officer in charge of Bookkeeping and Proof operations. The bank's rapidly developing automation program comes under his attention.

Gray Regional Rep. For Keystone Funds

PHILADELPHIA, Pa.—Donald A. Gray has been named regional representative for the Pennsylvania territory by The Keystone Company of Boston, distributor of the 10 Keystone Custodian Funds and Keystone Fund of Canada, Ltd. Offices will be located at 1700 Pennsylvania Building, Philadelphia.

Mr. Gray has been sales manager of the Syracuse office of Hayden, Stone & Company.

Form Franklin Corp.

The Franklin Corporation has been formed with offices at 3 West 57th Street, New York City, to provide funds and technical assistance to small enterprises.

Chilson, Newbery Office

NEWBURGH, N. Y. — Chilson, Newbery & Co., Inc. has opened a branch office at 361 Broadway under the management of Richard Osterhout.

Hinton Opens Branch

LOS ANGELES, Calif.—Glenn E. Hinton has opened a branch office at 10145 Hayvenhurst Avenue, Granada Hills, under the management of Matt W. McCusker.

Structural Problems in The International Economy

By Hon. C. Douglas Dillon*, *Under Secretary of State, Washington, D. C.*

International banking leaders are made aware of the increasingly serious problems of short and medium debt accumulation and surpluses in developing countries. Countries such as Western Germany are asked to extend bilateral financial aid, and lenders and borrowers are warned against unrealistic terms and conditions and of the need for keeping surpluses in mind so as to achieve greater economic diversification in setting up projects and programs. Mr. Dillon regrets the lack of ratification-support shown to date by underdeveloped countries for the International Development Association—an affiliate of the I.B.R. & D. He also refers to the new Inter-American Development Bank and looks forward to the absorption of the Development Assistance Group by the proposed Organization for Economic Cooperation and Development—successor to O.E.E.C.

The past year has been one of gathering momentum in cooperative international efforts to assist the peoples of the newly developing areas in their unremitting battle for economic and social progress under conditions of individual freedom and national independence.

Douglas Dillon

There is today, throughout the Free World a greater awareness than ever before of the historic importance of winning this battle. There is also a greater determination than ever before to see to it that the battle is won.

The World Bank, under the wise and imaginative leadership of President Eugene Black, has helped greatly to create this heightened awareness and this strengthened determination. We regret that President Black, because of illness, cannot be here today, and we extend to him our warm wishes for a full and speedy recovery.

It is especially fitting that, in President Black's absence, the annual address should be presented by Vice-President Iliff who, as we all know, has done so much to bring to a successful conclusion the agreement on the Indus Basin Settlement Plan, signed only a few days ago at Karachi.

This is a remarkable achievement in many ways. The Plan will make a significant contribution to the economic potential of India and Pakistan through better irrigation, increased hydro-power, soil reclamation and flood protection. It represents the peaceful termination of a protracted international dispute over water rights. And it enlists the cooperative help of a number of capital-exporting nations under the aegis of the Bank, thus demonstrating once again that international cooperation can often achieve what no one nation can do alone.

The United States is happy to be a participant in this constructive and far-reaching enterprise. At the same time we recognize, as I am sure other contributing governments do, the need for a continuing flow of external resources into the general economic development programs of India and Pakistan, apart from the Indus Basin project.

The New International Development Association

The Bank is also to be congratulated on the entry into force, just announced, of the Articles of Agreement establishing its new affiliate — the International Development Association. It is our hope that the IDA can begin its operations by the first of the year and that, in accordance with the spirit of its Articles, it will operate in a vigorous and flexible manner to fill needs of the developing countries which cannot be met from the Bank's ordinary resources. The lending institutions of the United States are prepared to cooperate fully with the IDA, as they have in the past with the Bank.

We hope, also, that the satisfactory relationship which has long existed between the Bank and the United Nations, and more recently between the Bank and the Special Fund of the United Nations, will be broadened to include the IDA.

While the IDA is safely launched, it cannot become fully effective until its membership is extended more broadly. A number of countries have so far failed to take the necessary steps for ratification. This is regrettable, especially in the case of the newly developing countries, since nonparticipation in the IDA by a developing country can only serve to reduce the potential availability of external resources for the development of the country concerned.

The New Inter-American Development Bank

Multilateral cooperation for economic development has also been broadened and strengthened during the year with the establishment of the Inter-American Development Bank, which will open its doors for lending on the 1st of October. This new financial organization is an important addition to the long-established institutions of the inter-American system. Just this month, at Bogota, the American Republics acted to broaden the role of the Inter-American Bank to include important functions in the field of social development as well as basic economic and industrial development. In the Act of Bogota the Latin American Governments expressed their determination to further social progress hand in hand with economic development, and the United States recorded its intention to establish a special fund to provide flexible financing for Latin American social development. It is proposed that the Inter-American Development Bank should become the primary mechanism for administering this new fund. Thus the Inter-American Bank will be able to cooperate with the Latin American countries in their efforts to achieve better education, housing and public health and to carry out their programs for improving systems of land tenure, rural resettlement and taxation.

Bilateral Aid Still Needed

But multilateral development institutions cannot meet all the needs of the developing countries for external assistance. Bilateral programs of long-term assistance by the capital-exporting nations are also essential. Greater bilateral efforts are especially necessary on the part of those industrialized countries, such as the Federal Republic of Germany, which in recent years have been generating large and increasing balance of payments surpluses. This is a responsibility to the Free World community which cannot be shirked. It used to be said that a good creditor country should pursue a liberal import policy. Nowadays a good creditor country must not only welcome imports, it must also be prepared to finance its export surpluses so that these resources can be channeled into the developing countries on terms suited to their special needs. It is to be regretted that this fact, while generally recognized in principle, has so far not been adequately implemented by certain of the most important creditor countries of the Free World. The task before us is huge and it is critical. The eyes of the struggling people in the newly developing countries are upon us. They are looking in particular to leading creditor countries, especially in continental Western Europe, for an effort more in line with their capacities. In the interest of the safety and progress of the Free World we must see to it that their hopes in this regard are met.

The growing importance of bilateral assistance efforts led to the establishment early this year of a Development Assistance Group among several capital-exporting nations. Its purpose is to discuss the best ways of mobilizing and increasing resources for development assistance and to encourage the use of terms of repayment appropriate both to the long-term nature of the development process and to the prospective balance of payments situation of the borrower. It is not the responsibility of the Development Assistance Group to engage in operations or to discuss the specific development projects or programs of particular countries or areas.

Development Assistance Group and the OECD

The World Bank has participated in the discussions of the Development Assistance Group, which also provide an opportunity for exchange of views and experience with other international organizations concerned with development problems.

As many of you are aware, plans are being made for the absorption of the Development Assistance Group by the proposed Organization for Economic Cooperation and Development—which will be a reconstitution or remodeling of the present Organization for European Economic Cooperation—when the OECD has been formally established. The present draft of the Charter of the OECD would authorize it to enter into relations with other international organizations. In our view the objectives of the OECD will be best served by establishing an effective liaison between the OECD and other international institutions having related interests, including the World Bank and the Organization of American States.

Turning to the operations of the Bank during the past year, we are happy to note that its lending activities continue at a high level, and that its technical assistance activities have expanded. In addition, the Bank has performed a notable service in bringing together several countries providing bilateral assistance to India. Group discussions such as these are useful and practicable where the scale of the Bank's lending, the size of the domestic development program, and the magnitude of the external resources being supplied from several capital-exporting nations, are all very large. It is our hope that the similar arrangements which the Bank is now preparing in connection with the economic development program of Pakistan will prove equally fruitful.

Enlisting Private Loans

The Bank's Report reveals the continuing success of the management in enlisting the participation of private investors in the Bank's loans. Sales to private institutional and other investors of portions of the Bank's loans were 64% over the level of the previous year, itself a high point. This is a healthy and encouraging trend, since the private market is the largest potential source of development capital.

The United States will continue to do all that it properly can to encourage the flow of private capital to the less developed areas. But these efforts can succeed only in the measure that private capital is made welcome in the developing countries themselves. Unfortunately, arbitrary and punitive actions against foreign private investment in one country, such as we have witnessed recently in Cuba, tend to have discouraging effects on investment in other developing countries as well. It is the hope of the United States that these effects will be limited and of short duration, but reassurance and encouragement to the private investment community on the part of all of us will be necessary.

The Annual Report calls attention to two important structural problems which continue to hamper economic growth in the less developed areas. These are, first, the problem of surpluses, which depress the prices of several basic commodities on which a number of less developed countries, especially in Latin America, are heavily dependent for their earnings of foreign exchange; and, second, the problem presented by the increasing accumulation of international indebtedness by the developing countries.

Excessive Short-Term Debt

We agree that the accumulation of debt, especially of short- and medium-term debt, has become increasingly serious. This fact merely underscores, once again, the need for long-term development lending on the part of the capital-exporting nations and the need for prudence on the part of borrowing countries in avoiding the use of short-term credit for long-term development purposes. It also points to the wisdom of providing a larger share of development assistance in the form of flexible loans suited to the balance of payments situation of the borrower. Neither lenders nor borrowers can benefit from the continued piling up of excessive international debt, much of it extended on suitable terms.

The accumulation of debt on onerous terms inevitably leads to demands for adjustment in these terms in order to prevent the disturbing consequences of default. We should all, therefore, make every effort to assure that in our development assistance programs we arrange in the first instance for terms and conditions that will keep the balance of payments effect of debt accumulation within manageable limits. In many cases this will also mean a sensible restraint on the use of normal commercial export credit and especially on the clearly unsuitable use of such credit for long-term development projects.

Diversification

The problem of wide fluctuations in foreign exchange earnings arising from sharp movements in the prices of primary products is admittedly a difficult one. A part of the answer lies in the economic diversification of the developing countries. Also, difficulties affecting particular commodities are being looked at, on a case-by-case basis, in the various groups and organizations concerned with these problems. One aspect of this situation, however, is of special relevance to development lending. This is the potential impact of development assistance on surplus production. All of us who participate in development assistance, whether as lender or borrower, should keep these surplus problems in mind in considering suitable development projects and programs.

In closing, may I add our words of welcome to Nepal and Nigeria, which will shortly join our company. And may I venture the hope that all of the new nations of Africa, many of which have just become members of the United Nations, will also soon participate in the Bank and Fund. the successful economic development of the free nations of Africa is a vital task for the future, and one to which the Bretton Woods institutions should lend their full support.

Once again the management and staff of the Bank have earned our thanks for a job well done. We can be confident that under their guidance the Bank will continue to grow in meeting the expanding needs of its members.

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*An address by Mr. Dillon before the Joint Meeting of the N.M.F., the I.B.R.D. and I.F.C., Washington, D. C.

Omega Precision Common All Sold

Pacific Coast Securities Co., the main office of which is at 240 Montgomery St., San Francisco, Calif., offered and quickly sold today (Nov. 10) 120,000 shares of the 25c par common stock of Omega Precision, Inc. at $2.50 per share.

The company's principal business is the manufacture of micro miniature epoxy plastic resistor bobbins and escapulation cups, which are used in the manufacture of resistors.

Omega's customers include Hughes Aircraft, Kelvin Electric, Aeronox, Key Resistor, Hoffman Electronics Laboratories, and the Dale Products Division of Hathaway Instruments, Inc.

The company is engaged in an expansion program, and the net proceeds will be used to prepare for a volume of business Omega estimates will exceed $100,000 per month in the near future.

Bernier Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

AUBURN, Me.—Rene Morin has been added to the staff of Bernier & Co., 40 Beech Street.

With Schirmer, Atherton

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Me. — Ramon M. Simmons has become connected with Schirmer, Atherton & Co., 634 Congress Street. He was formerly with First Maine Corporation.

M. P. Giessing Adds

(Special to THE FINANCIAL CHRONICLE)

FARMINGTON, Mo. — John W. Sucher has become affiliated with M. P. Giessing & Co., 108 North Jefferson Street. He was formerly with Metropolitain St. Louis Co.

Forms Income Inv. Co.

LONGVIEW, Wash. — Arthur J. Coney is conducting a securities business from offices in the Bowers Building under the firm name of Income Investment Company. Mr. Coney was formerly with Waddell & Reed, Inc. and B. C. Morton & Co.

With Pacific Coast Secs.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Williard B. Weaver has joined the staff of Pacific Coast Securities Company, 1054 Broxton Street. Mr. Weaver was formerly with Vanderbilt Investment Company and Evans MacCormack & Co.

Now Clark, Melvin & Co.

ANNAPOLIS, Md. — The firm name of Personal Planning Associates, 5 Maryland Avenue, has been changed to Clark, Melvin & Co., Inc. Officers are Garner Y. Clark, President; John B. Melvin, Vice-President; and C. M. Feneis, Secretary.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

THE UNEASY 1960 COURTSHIPS TOWARD MERGER

Two merger candidates, *Massachusetts Bonding and Insurance Co.* and *New Amsterdam Casualty Co.*, have been wooed this year without reaching final acquisition goals. Early in 1960 undisclosed prospective purchasers tendered an offer for shares of Massachusetts Bonding at $45 a share for at least 100,000 of the 500,000 shares outstanding. The management of Massachusetts Bonding informed its stockholders that neither the officers or the directors planned to tender their holdings for sale. Worcester Mutual Fire, Guarantee Mutual Fire and the State Mutual Life interests (all of Worcester, Mass.) turned out to be the undisclosed buyers. Following purchase of more than 20% of Massachusetts Bonding stock by the group, announcement of a consummated "working arrangement between Massachusetts Bonding and the State Mutual Life Assurance Company of America was made. The stock purchase was challenged by a stockholder's suit to prevent interests of the Worcester companies from acquiring control; subsequently, the Worcester group lost interest in its proposed affiliation with Massachusetts Bonding.

Later the president of Massachusetts Bonding (Boston) and the Hanover Insurance Co. (New York) announced that a merger of the two companies was under consideration following the purchase of a large block of Massachusetts Bonding stock by Hanover, presumably from the Worcester interests. Last week Hanover Insurance, which owns approximately 30% of Massachuetts Bonding's outstanding stock, announced that negotiations for a merger have been discontinued.

	Bid Price Range 1960	Rec. Mean Price	Indicated Dividend	Yield	Shares Outstdg. (000)
Mass. Bonding & Ins. Co.	44 - 33	39	$2.00	5.1%	500
Hanover Insurance Co.___	45 - 40	45	2.00	4.4	500
Security Ins., New Haven	58 - 40	58	1.20	2.1	*414
Fidelity & Deposit (Md.)	51 - 44	50	2.00	4.0	900
Home Insurance Co.______	62 - 49	59	2.20	3.7	4,011
New Amsterdam Casualty	56 - 44	55	2.00	3.6	500

*Plus usual 3% stock dividend payable January, 1961.

The courtships for New Amsterdam Casualty this year were led by *The Security Insurance Company of New Haven.* In late July a proposal to offer 1¼ of its shares for each of the first 405,000 shares of New Amsterdam was made. Within hours, officials of the *Fidelity and Deposit Company of Maryland* confirmed that conversations were in progress looking toward the acquisition by Fidelity and Deposit of New Amsterdam Casualty. Management of the latter advised stockholders to await an exchange of stock offer by Fidelity and Deposit. A specific offer has not been forthcoming to date.

A hearing on the Security-New Haven proposal by the Connecticut Insurance Commission originally was scheduled for Aug. 22. At the request of New Amsterdam management the hearing twice has been postponed—to Nov. 21, then to Dec. 5, 1960. On the other move, the Greater New York Insurance Brokers' Association expressed its opposition to the merger of New Amsterdam and Fidelity & Deposit in letters to Superintendents of Insurance of Maryland and New York, the Federal Trade Commission, and the Antitrust Division of the U. S. Department of Justice, feeling the proposed merger would restrain trade, limit competition, and not be in the public interest.

The outlook for merger candidate New Amsterdam is clouded further by an unconfirmed report that *The Home Insurance Co.* (New York) may be considering an offer. Last week the *Wall Street Journal* reported the officials of the two firms would neither confirm nor deny the report. A joint statement might be forthcoming soon.

NEW AMSTERDAM CASUALTY COMPANY

Selected Statistics — Underwriting Experience

Year—	—Net Premiums— Written†	Earned†	Admitted Assets†	Loss Ratio‡	Expense Ratio§	Profit Margin
1960*____	$42.5	$40.7	____	71.8%	35.7%	—7.5%
1959_____	85.2	86.2	166.7	69.4	36.0	—5.4
1958_____	87.6	89.3	166.9	70.9	35.5	—6.4
1957_____	92.1	88.9	161.1	70.7	35.8	—6.5
1956_____	85.5	82.5	157.9	68.3	35.7	—4.0
1955_____	80.8	79.5	151.3	65.4	35.6	—1.0

*Six months, June 30. †In millions of $. ‡Losses incurred to premiums earned. §Expenses incurred to premiums written.

Growth for New Amsterdam has lagged behind the average for the industry. Underwriting has been unsatisfactory during the past decade, with losses particularly heavy during the past four years. Such unfavorable experience has been offset in part by income from investments. Admitted assets are invested heavily in U. S. Government bonds. Although a multiple line insurer, diversified casualty lines exceed 80% of net premiums written.

Per Share Statistics

Year—	Approx Bid Price Range	Investment Income	Earnings	Dividend	Approx. Adj. Book Value
1960*_______	56 - 44	$4.05	—$2.17	$2.00	$86.79
1959_______	54 - 43	8.47	— 0.63	2.00	79.76
1958_______	50 - 38	7.90	— 2.23	1.90	86.38
1957_______	52 - 36	7.18	— 3.46	1.90	83.24
1956_______	58 - 37	6.42	0.06	1.80	83.83
1955_______	63 - 48	5.92	3.39	1.80	87.61
1949_______	40 - 29	3.65	8.10	1.30	60.72

*Six months, June 30.

Premium production has intentionally been held back in recent years, although premium business to capital and surplus has remained abnormal. In a letter to stockholders last August, New Amsterdam management stated, "A very important reason for our considering a combination with an outside company at this time is to obtain additional capital funds to keep step with the great growth of our premium volume." It now appears none of the courtships will prove successful for either Massachusetts Bonding and Insurance Company or New Amsterdam Casualty Company in 1960.

A. G. Edwards & Sons Opens Branches in Kansas

ST. LOUIS, Mo.—A. G. Edwards & Sons have opened branch offices at 16 East Second Street, Hutchinson, Kan., under the management of Anthony L. O'Brien, in the United Building, Salina, under the management of Kelso W. Slaughter, and in the Union Center Building, Wichita, with Chester V. Serig as manager and Jack W. Kowalski as associate. Mr. O'Brien, Mr. Serig and Mr. Kowalski were formerly with Bache & Co.

THE SECURITY I LIKE BEST...

Continued from page 2

lished producer of outdoor electric signs and advertising displays, was acquired; in January, 1959, Tullamore Electronics Corp. of Chicago, Ill., a top flight engineering organization in the field of medical isotope instrumentation, was bought, and in September, 1959, Standard Felt Co. of Alhambra, Calif., a 57-year-old manufacturer of a broad line of felt, was merged with VICTOREEN. Sale of $2,500,000 convertible debentures in December, 1959, was utilized to retire bank loans of $1,850,000 obtained for purchase of Standard Felt. In February, 1960, John E. Fast & Co. of Chicago, a leading producer of electronic capacitors, was acquired for $700,000 and in May, 1960, Electronics Products Co. of Mount Vernon, N. Y., a designer and maker of electronic instruments for atomic submarines and medical research, was purchased for about $800,000 in cash and stock.

In July, 1960, the company transferred its Standard Felt Division to Federal Manufacturing & Engineering Corp. of Garden City, N. Y., a manufacturer of electronic communication equipment, tape recorders and photographic products, for 3,500,000 shares or about 72% of the total common stock outstanding, which interest was increased last month to 79% through conversion of a $500,000 convertible loan. Based on the present over-the-counter market of around 3 for Federal Manufacturing common stock, this investment has a market value of almost $12.000.000 or $7.50 per share of VICTOREEN common.

VICTOREEN owns and holds under lease nine plants, of which three are located at Cleveland, Ohio; two each at Kokomo, Ind. and Chicago, Ill. and one each at Alhambra, Calif. and Mount Vernon, N. Y. Modern research and product development laboratories are maintained at the company's headquarters at Cleveland and other plants where an experienced staff of 110 scientists and electronic engineers is constantly testing and improving newly developed instruments and components.

Among the company's more important customers other than the government are such outstanding organizations as Beckman Instruments, Curtiss-Wright, du Pont, General Electric, Hughes Aircraft, IBM, Motorola, Phillips Petroleum, Picker X-ray Division of C. I. T. Financial. Tracerlab. Union Carbide, Westinghouse Electric, etc.

Before the new management took charge in 1957, sales and earnings record was quite unimpressive and losses were incurred for the years 1954 through 1956. In 1956 the company showed a deficit of $298,000 on sales of only $1,614,000, and in addition found itself burdened with $175,000 bank indebtedness. In 1957 the company under strengthened leadership reported earnings of $303,000 or 19 cents per share, adjusted to the present number of shares outstanding, on sales of $3,068,000. In 1957 there was no tax liability due to a tax loss carry-over resulting from unprofitable operations in previous years. Since that time sizable increases in sales and profits as a result of the aggressive acquisition and diversification program enabled the company to report 1959 after tax net income of $391,000 or 25 cents per share on sales of $7,777,000, which represented gains of 61% and 43%, respectively, over 1958 results of $243,000 or 15 cents per share on sales of $5,449,000. Earnings for six months ended June 30, 1960, of $261,000 or 18 cents per share on sales of $6,093,000 compared with net income of $219,000 or 14 cents per share on sales of only $3,629,000 reported for the same period last year.

While sales increased about 70%, improvement in profits was somewhat held down by high development and marketing costs of new products and integrating and modernizing of the two recently acquired concerns, namely John E. Fast & Co. and Electronic Products Co. Greater earnings benefits of these new additions, which are expected to increase annual sales by about $10,000,000, are presently making themselves felt and should continue further over the coming years. Management estimates anticipate 1960 sales of $14.000,000 and net income of about $700,000 or 45 cents per share after nonrecurring engineering, development and plant rearrangement write-offs of some $500,000. Sales are now running at an annual rate of about $20,000,000 and a doubling of this rate by 1964-1965 appears a reasonable expectation with potential earning power approaching $1.50 to $2 per share. Last year about 38% of total sales were made to the government with the remainder accounted for by industrial consumers. Total order backlog is understood to be about $8,000,000.

The company has not made any cash dividend disbursements on the common stock since the shares were first offered to the public in 1951, but has paid stock dividends of 2% in 1953, 1954 and 1956, 4% in 1958 and 25% in 1959. The 6% convertible debentures, due 1974, available at a premium of about 6 points over conversion parity and yielding 5.6%, may be of interest to more conservative investors. Selling around 102, down from a high of about 140 in August, the bonds are convertible at $12.50 or into 80 shares until Dec. 15, 1962, at which time the conversion price increases $1 per share every three years thereafter until maturity. The call price is 105 through Dec. 15, 1962, and declines thereafter. There is a sinking fund equal to 15% of consolidated net earnings for retirement of debentures on or before April 1, 1962, up to and including April 1, 1973.

Through purchase of the convertible debentures investors will, of course, also participate in any rise of the speculatively attractive common stock. Conversion of the debentures, which appears remote since no dividends are presently being paid on the common stock, will ultimately increase the common by 200,000 shares and dilute the equity by 12.5%.

VICTOREEN INSTRUMENT is in sound financial and working capital position with current assets of $6,736,000 on June 30, 1960, including cash and government securities of $1,790,000, compared with $1,673,000 current liabilities. Capitalization consists of 1,594,249 shares of common stock preceded by $2,500,000 6% convertible debentures, due 1974. The company's highly regarded management owns 127,000 shares or about 8% of the total common stock outstanding.

The outlook for this pioneer and leader in the field of X-ray dosage meters and instruments for detection, measuring and controlling of radiation and nuclear fission appears extremely promising. The outstanding research and engineering staff has placed VICTOREEN in an excellent position to take advantage of new opportunities in the rapidly growing radiation control, medical isotope instrumentation, infrared detection, photocopy and electronics industries in which further acquisitions are currently being considered. With the equivalent of $7.50 per share of VICTOREEN common stock made up of its investment in Federal Manufacturing & Engineering Corp., its 79% owned affiliate, the expanding business of VICTOREEN alone is available to the investor for only about $4.50 per share, the difference between market price and ownership in Federal. In view of the rapidly expanding revenues and income, the common stock, currently selling around 12 on the American Stock Exchange, has considerable speculative appeal as an intriguing low priced situation for good long term capital gains.

Form United Realty Secs.

United Realty Securities Corporation is engaging in a securities business from offices at 25 West 43rd Street, New York City. Officers are Fred J. Picker, President; Lewis Kohn, Treasurer, and Jerome F. Katz, Secretary.

Joins Reynolds Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Cal.—William Y. Foster has joined the staff of Reynolds & Co., 425 Montgomery Street. He was formerly with Hannaford & Talbot.

Joins Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Cal.—Marshall M. Sumida has become associated With Walston & Co., Inc., 265 Montgomery Street. He was formerly with Nikko-Kasai Securities Company.

Ardmore Development

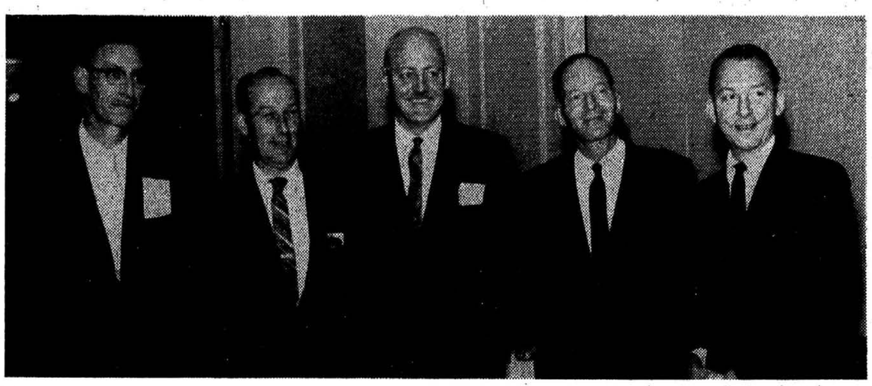
PHOENIX, Ariz. — Ardmore Development Co. of Phoenix, Inc. is engaging in a securities business from offices at 500 West Clarendon. Officers are Donald Maling, President; Leonard B. Schneider, Vice-President; Robert C. Lesster, Assistant Vice-President; Jerry Sonenblick, Secretary; and Richard J. Dawrall, Treasurer.

Volume 192 Number 6002 . . . *A Supplement to The Commercial and Financial Chronicle* Thursday, November 10, 1960

Corporation Bond Traders Association of New York

Tom Feeley, *Goodbody & Co.;* Thomas J. Davis, *A. C. Allyn & Co.;* Donald Cronin, *Morgan Stanley & Co.;* Leo Richard, *Halsey, Stuart & Co. Inc.*

Joseph Farrell, *Gregory & Sons;* Andy Beyfuss, *Kean, Taylor & Co.;* Tom Curry, *Stone & Webster Securities Corporation;* Ray Wildey, *Baker, Weeks & Co.*

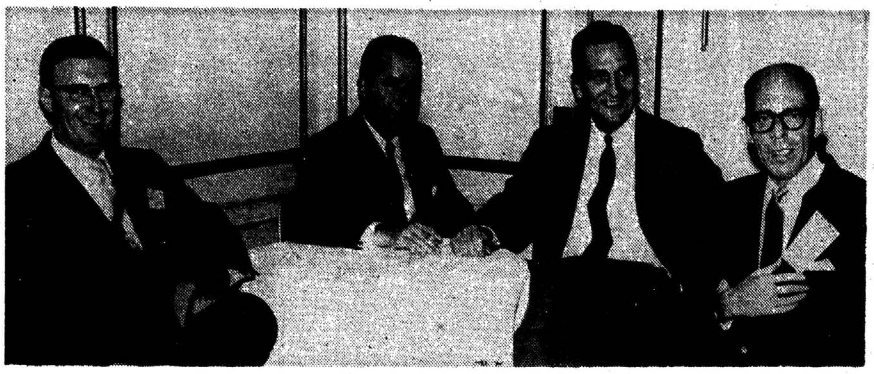


Fred Eisele, *Freeman & Company;* Herb Fitzpatrick, *Dick & Merle-Smith;* Stanley Dawson-Smith, *Cruttenden, Podesta & Co.;* Les Barbier, *G. A. Saxton & Co., Inc.;* Bob De Fine, *Hirsch & Co.*

Wilbur Krisam, *John C. Legg & Company.;* Edgar Christian, *Suplee, Yeatman, Mosley Co., Inc.* (Philadelphia); Tom Greenberg, *C. E. Unterberg, Towbin Co.;* John Meyers, *Gordon Graves & Co.*

Barney Nieman, *Carl Marks & Co.; Inc.;* Fred Eisele, *Freeman & Company;* John McCormack, *F. S. Smithers & Co.;* Willard Rice, *Eastman Dillon Union Securities & Co.* (Philadelphia)

Holds Annual Dinner



Charles Preller, *Eastman Dillon, Union Securities & Co.;* Bill Salisbury, *Eastman Dillon, Union Securities & Co.;* Ray Pyle, *Bacon, Whipple & Co.;* Sy Fabricant, *Wertheim & Co.*

Ransom Berneburg, *Wood, Gundy & Co., Inc.;* Charles Weigel, *W. E. Hutton & Co.;* Henry Kuipers, *Lord, Abbett & Co.;* Hal Murphy, *Commercial & Financial Chronicle*

Oliver Kimberly, *Oscar Gruss & Son;* Rollie Gunther, *Baker, Weeks & Co.;* Clarence Nelson, *Baker, Weeks & Co.;* Frank Verian, *Merrill Lynch, Pierce, Fenner & Smith Incorporated*

John Marshall, *Stone & Webster Securities Corporation;* Jack Crowley, *Sutro Bros. & Co.;* Warren V. Reardon, *Smith, Barney & Co.;* Arthur D. Bellusci, *Hirsch & Co.*

Paul Lane, *Kidder, Peabody & Co.;* John McCormack, *F. S. Smithers & Co.;* Leo Richards, *Halsey, Stuart & Co. Inc.;* Tom Feeley, *Goodbody & Co.*

Fremont W. Robson, *McLeod, Young, Weir, Incorporated;* Gerry Ryley, *Midland Canadian Corporation;* Bill McCutcheon, *McLeod, Young, Weir, Incorporated;* Vincent Shea, *Glore, Forgan & Co.*

Victor Garbe, *Morgan Stanley & Co.;* Donald J. Devine, *Freeman & Company;* John Printon, *R. W. Pressprich & Co.*

William T. Meyers, *Gordon Graves & Co.;* Robert Plante, *Cruttenden, Podesta & Co.;* Jack Reilly, *Cruttenden, Podesta & Co.;* Charles Miller, *Eastman Dillon, Union Securities & Co.*

Josh Gardener, *Weeden & Co.;* Ralph Bornstein, *American Securities Corporation;* Fred Roughan, *American Securities Corporation;* Frank J. Ronan, *New York Hanseatic Corporation;* Robert J. Gavlin, *A. C. Allyn & Co.;* Allan Kadell, *Allan Kadell & Co.*

Gayle Williams, *Kidder, Peabody & Co.;* Sidney A. Siegel, *Sidney A. Siegel & Co., Inc.;* Harold Noke, *Francis I. du Pont & Co.;* George Noke, *McDonnell & Co. Incorporated;* Irvin Hood, *Lee Higginson Corporation*

October 28, 1960

Ken Stanford, *F. S. Smithers & Co.*; Harry Hair, *Morgan Guaranty Trust Company*; Gene Gagan, *Chase Manhattan Bank*

Ronald Jones, *Vilas & Hickey*; Herbert Stern, *L. F. Rothschild & Co.*; Arthur Crames, *Gregory & Sons*; Richard Edmonds, *L. F. Rothschild & Co.*

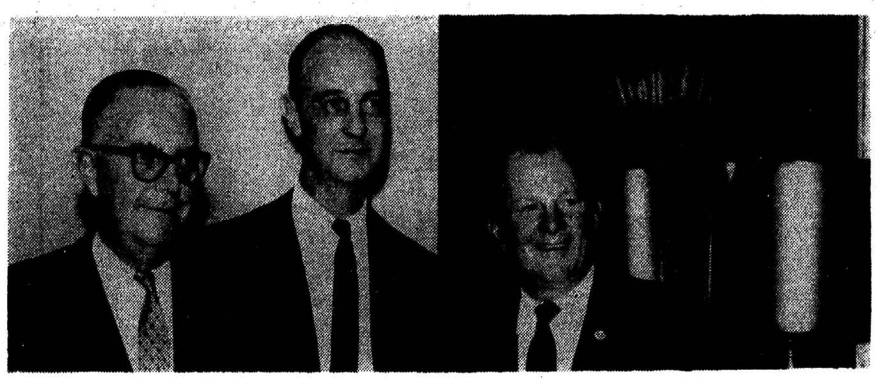
Ed Sinclair, *Weeden & Co.*; Art Sachtleben, *American Securities Corporation*; Jack Barker, *Lee Higginson Corporation*

Arch Apgar, *The Hanover Bank*; Joseph Smyth, *Salomon Bros. & Hutzler*; Arthur A. Fischer, *Salomon Bros. & Hutzler*; Leo Bloch, *Salomon Bros. & Hutzler*

Jack Doherty, *A. C. Allyn & Co.*; Pete Steven, *A. C. Allyn & Co.*; Herbert Van Blarcum, *Equitable Securities Corporation*; Ralph MacKinnon, *Equitable Securities Corporation*

Harry Clark, *Salomon Bros. & Hutzler*; Irving Goldman, *Salomon Bros. & Hutzler*; Stan Arkin, *Salomon Bros. & Hutzler*; Richard Schiffman, *Stern, Lauer & Co.*

Henry Scheinberg, *Oscar Gruss & Son*; Joseph Blumberg, *Goldman, Sachs & Co.*; Bill McKeever, *Oscar Gruss & Son*; Bill Bathon, *Adams & Peck*



Bo Wells, *John C. Legg & Company*; Jim Brewer, *John C. Legg & Company*; Charles Hartley, *Bankers Trust Company*

Ed Reno, *Chemical Bank New York Trust Company*; Al Feldman, *Goldman, Sachs & Co.*; Joe Cabble, *Burns Bros. & Denton, Inc.*; Earle Van Deursen, *U. S. Trust Company*

Arthur Patterson, *Dean Witter & Co.*; John Peitch, *Bankers Trust Company*; William Diss, Jr., *Abbott, Proctor & Paine*; Charles Bruggeman, *Dean Witter & Co.*

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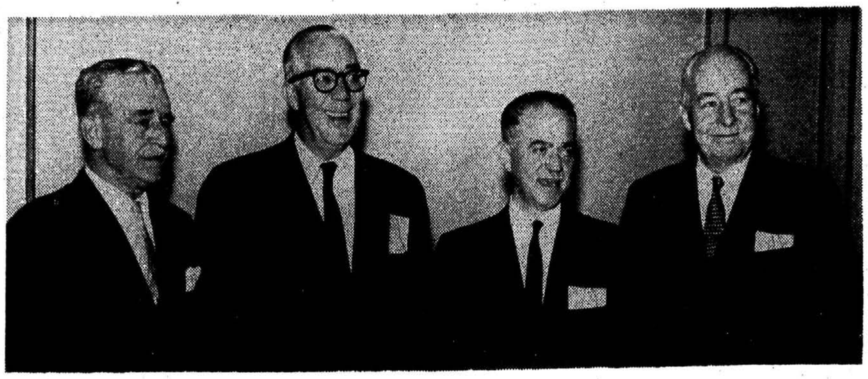
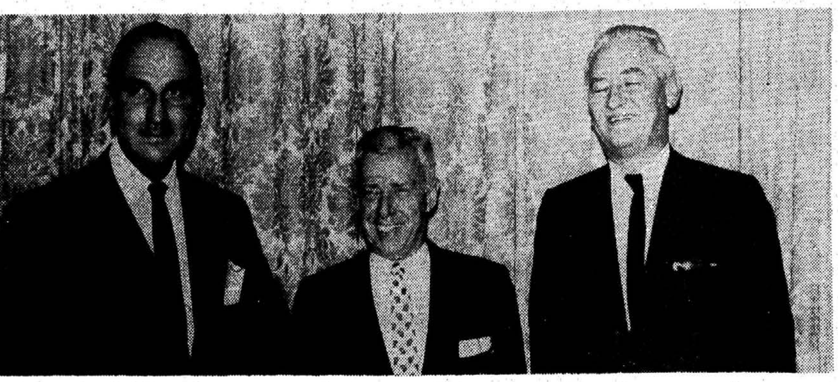
At Roosevelt Hotel

Ronald Shockley, *Stone & Webster Securities Corporation;* Jerry Scheckman, *Salomon Bros. & Hutzler;* Leonard Kearney, *Salomon Bros. & Hutzler;* Louis Rand, *Cowen & Co.*



Jack Blockley, *J. Barth & Co.;* John C. Reilly, *G. H. Walker & Co.;* John Bair, *Carolina Securities Corporation;* Jim Cleaver, *Goodbody & Co.*

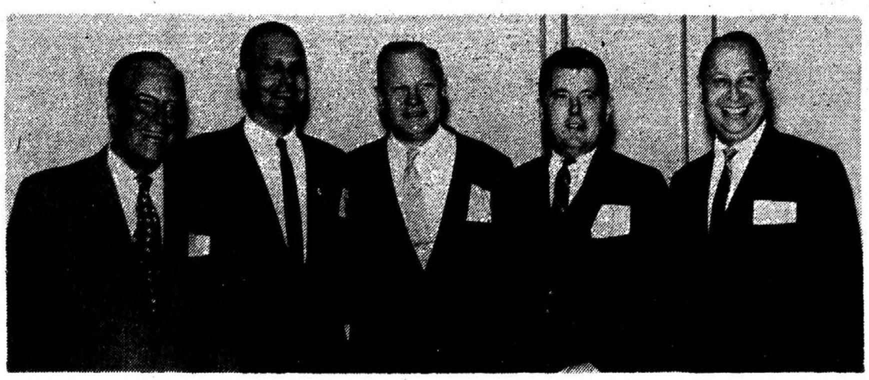
John Fitzgerald, *W. C. Pitfield & Co., Inc.;* Harold Burke, *Reynolds & Co.;* Ed Kelly, *Carl M. Loeb, Rhoades & Co.;* Don Sherwood, *Reynolds & Co.*



Hugh Beattie, *Morgan Stanley & Co.;* George R. McAleer, *Dominick & Dominick;* Vincent Gowen, *Goldman, Sachs & Co.*

Al Tugend, *Irving Trust Company;* James Gavin, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Barney Nieman, *Carl Marks & Co., Inc.;* George J. Brunjes, *First Boston Corporation*

Larry Wren, *Allen & Company;* Bernard Clancy, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Patrick Lynch, *Merrill Lynch, Pierce, Fenner & Smith Incorporated*



J. A. Donnelly, *Reynolds & Co.;* George Brunjes, *First Boston Corporation;* Everitt Rubien, *Reynolds & Co.;* Brian Newman, *Hugh W. Long & Company, Incorporated* (Elizabeth, N. J.); A. A. Geller, *Allen & Company*

John Mayer, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Sol Raschkind, *Goldman, Sachs & Co.;* Stanley Waldron, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Pete Steven, *A. C. Allyn & Co.*

Stanley Roggenburg, *Roggenburg & Co.;* Michael J. Heaney, *Michael J. Heaney & Co.;* Bill Doherty, *Fahnestock & Co.;* Elbridge Smith, *Stryker & Brown*

J. Vincent Hurley, *Bache & Co.;* Ed Nielson, *Lazard Freres & Co.;* E. A. Rosenzweig, *Ladenburg, Thalmann & Co.;* Louis Zwahl, *Mabon & Co.;* Frank McGillen, *Irving Trust Company;* Jim Gaffney, *L. F. Rothschild & Co.*

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Central Electric & Gas Co.

Central Electric & Gas Co. has had an interesting growth record although its common stock sells at a very modest ratio to earnings. The company is both an operating and holding company — operating gas and electric properties directly, and controlling through subsidiaries a number of telephone properties. The term "electric" is misleading since only 2% of revenues is from sales of electricity, while 57% is contributed by telephone subsidiaries and 41% by gas sales. Central Electric & Gas controls Central Telephone by about 56% ownership of stock, and Southeastern Telephone by about 65% interests while Central Telephone in turn controls four other telephone companies. Combined system revenues are about $51 million.

Central Electric & Gas furnishes natural gas in 56 communities in eastern and southeastern Nebraska (including Lincoln), and in nine communities (including Sioux Falls) in South Dakota. Gas properties include 1,230 miles of distribution mains and storage capacity of 500 Mcf. Propane gas production plants for peak-shaving purposes are maintained, with 34,-700 Mcf daily capacity. Most of the gas sold is purchased under contract from Northern Natural Gas, and some is obtained from Kansas-Nebraska Natural Gas. The company's electric properties are small, consisting of four diesel generating stations and one hydro plant, with a combined capacity of about 7,585 kw.

Telephone operations cover a much wider geographic area, including various parts of Minnesota, Iowa, Wisconsin, Illinois, North Carolina and Virginia. Principal cities served include Asheboro, Leaksville, North Wilkesboro and Mount Airy, North Carolina; Fort Dodge, Iowa; Charlottesville, Front Royal and Lexington, Virginia; LaCrosse, Wisconsin, and Des Plaines, Park Rodge, Pekin, Havana and Savannah, Illinois. Telephone service is provided through 159 exchanges (90% dial) serving some 292,000 telephones. From time to time relatively small telephone holdings have been disposed of and others acquired. About two-thirds of telephone revenue is from local service and miscellaneous sources and one-third from toll service. Toll service exchange is provided with the Bell System and with other independents. There was a net gain of 13,500 stations in 1959 compared with 10,800 in the previous year.

Last January Central Electric & Gas sold $3 million convertible subordinated debenture 5s of 1975, which were convertible at $24.50 to Jan. 14, 1965, and higher prices thereafter (it also has three other convertible issues outstanding). Adjusted for this financing, the capital structure of the parent company was about 47% debt, 17% preferred stock and 36% common stock equity. On a consolidated basis, including subsidiaries, the set-up was: Debt 54%, minority interest 18%, preferred stock 12%, and common stock equity 16%; combined minority interest and common stock equity approximated 34%. System expenditures for the fiscal year ending Sept. 30, 1960, were estimated earlier at $18 million compared with about $14 million in fiscal 1959, $16 million in 1958 and $14 million in 1957.

The company's 1960 program included installation of gas distribution systems in several small communities not previously served, plus expansion in other communities. Telephone subsidiaries have been expending substantial amounts for further conversion to dial automatic operation of several telephone exchanges, plus substantial plant additions.

The company's gas operations are not subject to regulation by the FPC or any state regulatory authority; gas and electric rates are regulated only by municipal authorities. Apparently the company has had no special difficulty in adjusting retail gas rates from time to time, principally to cover the increasing cost of gas purchased. The company is paying its gas suppliers at rates which have been made effective subject to partial refund if and when ordered by the FPC; the company will give its customers the benefit of any such refunds.

Telephone rates are, of course, subject to regulation by state commissions but the company has apparently been successful in obtaining increases. In September 1959 Southeastern Telephone was granted a rate increase of $585,000 in Florida, and Lexington Telephone a month later obtained an increase of $100,000 in Virginia.

Central Electric & Gas has an outstanding growth record both as to revenues and earnings per share, as follows:

Year	Revenues (mill.)	% Increase	Earnings Per Share	% Increase
1952	$25	--	$0.94	--
1953	28	12%	1.05	12%
1954	29	4	1.15	10
1955	33	14	1.36	18
1956	36	9	1.59	17
1957	39	9	1.65	4
1958	41	5	1.41	d15
1959	47	15	1.83	30
Aver. gain		10%		11%

Note: Company's fiscal year, established in 1958, now ends Sept. 30. For 12 months ended Sept. 30, 1960, revenues were $51,535,098, which resulted in per share earnings of $1.95. This compares with $44,902,081 and $1.72 in the previous fiscal period.

At the recent over-the-counter price of about 26½, the stock, paying $1.20, yields 4.5%; a stock dividend of ½% was paid Oct. 31 in addition to the 30c cash dividend. Cash dividends have been increased in each of the past five years. The price-earnings ratio of a little over 13 compares with an average of about 14 for gas distributing stocks and 18.4 for a list of independent communications companies, which list, however, includes some very high ratios.

NASD Names New Officers

Wm. H. Claflin, III

Robert L. Cody

Wallace H. Fulton

Graham Jones

Blancke Noyes

WASHINGTON, D. C.—William H. Claflin, III, Boston investment banker, has been chosen Chairman of the Board of Governors of the National Association of Securities Dealers. Mr. Claflin, partner of Tucker, Anthony & R. L. Day, will take over as head of the self-regulating organization next January. He will succeed Glenn E. Anderson, President of Carolina Securities Corp., Raleigh, N. C.

Vice-Chairmen of the Association for 1961 are: Robert L. Cody, President, North American Securities Company, San Francisco, and Graham Jones, partner, Cooley & Company, Hartford, Conn. Blancke Noyes, partner, Hemphill, Noyes & Company, New York, will be Treasurer. Wallace H. Fulton has been nominated for his 23rd term as Executive Director.

The NASD has over 4,400 members and nearly 100,000 individuals registered with it. It is the only organization of its kind in all industry, having been establishd through an act of Congress to provide self-regulation for dealers in over-the-counter securities—issues not listed on stock exchanges. It was founded in 1939.

Form American Inv.

WASHINGTON, D. C.—American Investors Planning Corp. has been formed with offices at 1413 K St., N. W., to engage in a securities business. Officers are William C. Ellett, President; George Umans, Vice-President, and Jeannette Ellett, Secretary-Treasurer.

Forms American Mutual

CHICAGO, Ill.—Ronald W. Mauer is engaging in a securities business from offices at 141 West Jackson Boulevard, under the firm name of American Mutual Funds. He was formerly with the Municipal Bond Corp.

Forms Armstrong Corp.

The Armstrong Corporation has been formed with offices at 40 Exchange Place, New York City, to engage in a securities business. Officers are David B. Armstrong, President; Helen Armstrong, Secretary-Treasurer.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Ideas for These Unsettled Times

There is always a constructive job that a security salesman can do for his clients, both in up markets and down markets. This is so even in dull sidewise markets. The salesman who is alert to the situation in which he must operate can develop profitable trades for his customers and generate well earned commissions for himself.

After A Market Drop

There are many investors and speculators who now look upon their securities with a little different attitude than that which existed several months ago. No longer do you hear the much repeated statement that was the toast of so many boardrooms a few months back. "I can't sell, Uncle will take too much in taxes." After the past several months of falling stock prices the opportunity to establish losses against profits taken earlier in the year should not be neglected.

Go over your accounts. Some of these people are either too busy, or unaware that if they don't establish losses soon they are going to pay some income taxes and capital gain taxes next year that will be most unpleasant. Where people wish to retain a position in a security buy an additional equivalent amount of the same investment and then sell the first lot that cost much more after 31 days have elapsed. If the security advances in the ensuing period, a profit is made on the second purchase and the decision to sell the first lot can still be made at that time, or it can be kept depending upon the conditions which govern the situation then.

It is the obligation of a conscientious salesman to bring tax saving suggestions to the attention of his clients. This is a service they will appreciate.

Good Time to Cultivate New Customers

When markets have been declining, and many people are unhappy with their securities, don't think you are the only one who has some clients who may be dissatisfied. The glowing promises held forth for some securities six months, or a year ago, have not materialized. Go over the list and you will see hundreds of disappointing investments that did not fare too well these past six to 12 months. You haven't got them all —everyone has them. The only difference between your headaches and those of the other fellow is that he thinks he has the most problems.

Customers, being human, are often prone to look around for another broker when they have had their bruises and bumps in a bear market. It reminds me of the old story of the village fakir who came to a community eons ago and he told everyone to take their worst troubles and hang them on a line. The townspeople did this. Then he lined them all up and told them, when he gave the signal, they were all to run to the line and take off any trouble they wished. They all ended up with their own troubles right back where they started.

But seriously, this is a good time to contact some of the people who may have told you they were well satisfied with their connections when you spoke with them a year or so ago. You may lose a few customers too—so why not contact some of these people who might now give you a try. Sometimes a new approach and a new man can be helpful. It is good for the customer and the salesman.

Speaking of Losses

I read an interesting letter published by one of the member firms of the New York Stock Exchange recently. It pointed out that everyone has some losses and that investors and speculators should expect them. The secret of success in investing is to control losses. This is true. The point was well taken that the New York Yankees win a lot of ball games, but as good as they are they still lose a certain number each season.

I think we are missing something when we don't stress this fact properly in our conversations with clients. This is a business of "risk." "Risk" cannot be eliminated—it can only be limited by proper selection, supervision, and diversification. It can be controlled by action when a security acts badly and the best guesswork indicates it should be sold at a small loss rather than kept for a big one. But notice I said "guess" because in this inexact science of investment and speculation, guessing, forecasting, speculating on the future, timing, reading charts, and obtaining fundamental information are only part of the story—you have to expect a definite limitation on your skill in predicting and you must also accept some losses.

Naturally, the successful investor protects capital, increases it when he can, but he doesn't expect perfection.

Form First Reserve

LOS ANGELES, Calif.—First Reserve Corporation has been formed with offices in the Van Nuys Bldg. to engage in a securities business. Officers are Howard Lewis, President and Treasurer; William E. Bailey, Vice-President; and Earl Watkins, Secretary.

Life Securities Formed

LITTLE ROCK, Ark. — Life Securities, Inc. has been formed with offices at 1 Rosemont Drive to engage in a securities business. Officers are Robert A. Duck, President; F. L. Duck, Vice-President; and J. E. Austin, Secretary-Treasurer.

R. F. Shaw Opens

LOCUST VALLEY, N. Y.—Robert F. Shaw is conducting a securities business from offices on Bayville Road.

With A. G. Edwards

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Theodore M. Sperling has been added to the staff of A. G. Edwards & Sons, 409 North Eight Street, members of the New York and Midwest Stock Exchanges.

Coast Exchange Member

Election of Joseph J. Keon, Jr., to represent the new member firm of Keon and Company, Inc., to membership in the Pacific Coast Stock Exchange through purchase of a membership in the Los Angeles Division, effective Oct. 27, 1960, has been announced by William H. Jones, Chairman of the Board.

Keon and Company, Inc., was organized in 1959 to conduct a general brokerage business in the Los Angeles area.

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York has promoted Charles E. Fiero to Vice-President in the Credit Department, George Champion, President announced.

Mr. Fiero joined the Chase National Bank in 1950 and was appointed an Assistant Treasurer in 1955, the year **Chase National** merged with **The Bank of the Manhattan Company** to form The Chase Manhattan Bank. He was promoted to Assistant Vice-President in 1958. For the past two years he has been in charge of the Credit Department.

The promotion of Curtis G. Callan, John E. Tighe and Alfred R. Worster to Assistant Vice-Presidents also was announced. Victor J. Culverwell, Francis H. Dunne and Nils B. Gustafson were appointed Assistant Treasurers; Bertram T. Clayton was named custody officer and Ray L. Walker was appointed systems and procedure officer. All are in the trust department at the bank's head office.

* * *

Chemical Bank New York Trust Co. New York has elected five business leaders to its advisory boards it was announced Nov. 3 by Chairman H. Helm. They are. Russell E. Dennis, Randolph E. DuMont, Joseph P. Monge, Simon B. Siegel and Lawrence Wilkinson, Mr. Dennis, Mr. Monge and Mr. Wilkinson become members of the bank's Grand Central Area Advisory Board. Mr. DuMont joins the bank's Rockefeller Center Advisory Board. Mr. Siegel, will serve on the bank's Times Square Advisory Board.

The election of George V. Myers to the Advisory Board on International Business of Chemical Bank New York Trust Co. was also announced Nov. 7 by Mr. Helm.

* * *

Chemical Bank New York Trust Company, New York, has promoted August W. Barnes, William J. Cardew and H. Ray Norton, former Assistant Managers, to Assistant Secretaries, it was announced Nov. 9 by Chairman Harold H. Helm. All are with the bank's Metropolitan Division.

The bank, whose office at 57th St. and First Ave. has served Sutton Place since 1926, moved to larger quarters at 56th St. and First Ave. on Monday, Nov. 7.

Darwin L. Gillett, III, Assistant Secretary, and Francis X. McGarry, Assistant Manager, are in charge of the new office.

* * *

Mr. C. Gordon Lynn, 55 and Vice-President of the **Irving Trust Company,** died Nov. 3.

* * *

Three promotions at **The Bank of New York** were announced recently by Albert C. Simmonds, Jr., Chairman.

Raymond W. Hammell has been named a Vice-President. Mr. Hammell joined the bank in 1942 and was appointed an Assistant Secretary in 1955 and an Assistant Vice-President in 1958. He is associated with the Security Research Department.

Robert S. Wadsworth of the Fifth Avenue Office has been promoted to Assistant Vice-President. Mr. Wadsworth was appointed an Assistant Treasurer in 1953.

Joseph L. McElroy has been named a Trust Officer. Mr. McElroy came to the bank in 1954 and was appointed an Assistant Trust Officer in 1959.

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The United States Trust Company of New York has appointed Warren H. Dickerson, John W. Hody, William P. Lohse, and Andrew F. Shaw as Assistant Secretaries, it was announced Nov. 3 by Hoyt Ammidon, President.

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BUFFALO, N. Y., Nov. 4, 1960—Federal Reserve Board approval has been received by **Marine Midland Corporation, Buffalo, N. Y.** of its application to acquire **The First National Bank of Poughkeepsie.** State regulatory authorities gave their approval to the acquisition Sept. 16, 1960.

According to a statement made jointly by John R. Evans, President of **First National Bank,** and Baldwin Maull, President of **Marine Midland Corporation,** 49,463 out of a possible 49,500 common shares of **First National Bank** stock have been deposited by that bank's stockholders to be exchanged for **Marine Midland** common stock at a rate of five Marine Midland shares for each Poughkeepsie bank share.

This acquisition by Marine Midland Corporation, which is expected to take place within 30 days, is the first holding company acquisition of stock approved by the New York State Banking Board under the revised banking legislation passed in March, 1960. When the acquisition is completed 11 Marine Midland banks will serve 101 New York State communities with 177 banking offices.

* * *

Mr. Joseph P. Finnegan, President of the **First National Bank in Yonkers, N. Y.** announced Nov. 2 that Foster Nichols has been elected a Director.

* * *

The application of the **Hudson County National Bank, Jersey City, N. J.,** and **Commonwealth Trust Company, Union City, N. J.,** to consolidate under the title of **Hudson County National Bank** has been approved. It is expected to be effective Nov. 4.

* * *

The applications of **The First National Bank and Trust Company of Woodbury, Woodbury, N. J.,** and **Woodbury Trust Company, Woodbury, N. J.,** to consolidate have been given the approval of the Comptroller to consolidate under the title of **First County National Bank and Trust Co., Woodbury.** The effective date is to be determined.

* * *

New Florence National Bank, New Florence, Pa., with common capital stock of $75,000, has gone into voluntary liquidation by a resolution of its shareholders dated Aug. 9, effective Oct. 14. It was absorbed by **Johnstown Bank and Trust Company, Johnstown, Pa.,** which is also the liquidating agent.

* * *

Frank E. Agnew, Jr., President of **Pittsburgh National Bank, Pittsburgh, Pa.,** and Albert S. Yoder, President of **First National Bank, New Kensington, Pa.,** announced that Directors of each bank had approved a merger agreement, subject to the approval of the shareholders of both institutions and the Comptroller of the Currency.

First National Bank, New Kensington, will become the New Kensington Office of Pittsburgh National Bank.

The New Kensington bank has total resources in excess of $21,000,000.

* * *

Charles W. Campbell has been appointed Trust Officer in the Washington Office of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** Frank R. Denton, Vice-Chairman of the bank, announced the appointment.

Mr. Campbell came to Mellon Bank in 1947, when he was employed in the Analysis Division of the bank's Trust Department. The following year, he moved to the Legal Division, and in July of 1950 he was named a Trust Assistant in the Trust Administrative Division. In 1953, Mr. Campbell moved to the Trust Department of Mellon Bank's Washington Office, and the following year he was appointed Assistant Secretary, the position he held at the time of his current appointment.

* * *

The Comptroller has approved the application of **The National Bank of Ashtabula, Ashtabula, Ohio,** and **The Geneva Savings and Trust Company, Geneva, Ohio,** to consolidate under the title of **The Northwestern Ohio National Bank of Ashtabula, Ohio.** The date of effect is to be determined.

* * *

The Vice-President of the International Banking Department of the **First National Bank of Chicago, Ill.,** Leslie E. Dreyer, 58, died Nov. 4.

Mr. Dreyer joined the First National Bank in 1931. In 1939 he was elected an Assistant Cashier, and in 1945 he was elected an Assistant Vice-President. He became Vice-President in 1951.

* * *

The item given in the Nov. 3 issue of the **"Chronicle"** page 1795 concerning a stock dividend for the Pullman Bank Group was incorrect and the corrected information is as follows:

Donald O'Toole, President of **The Pullman Trust & Savings Bank, Standard State Bank** and **State Bank** of Blue Island, has announced that the boards of directors of the three banks at meetings on Oct. 13, have voted a semi-annual cash dividend of $1 per share for Pullman, 40 cents per share for Standard and 37½ cents per share for State Bank of Blue Island. The dividends will be payable to stockholders of record as of Oct. 13, on Dec. 6.

Mr. O'Toole also announced that the boards of directors have proposed a stock dividend of 3% for all three banks, subject to stockholders' approval at a meeting on Nov. 22. The stock dividend, as proposed, will apply to stockholders of record as of Oct. 14, and will be payable on or before Dec. 31.

* * *

The First National Bank of Evergreen Park, Evergreen Park, Ill., has increased its common capital stock, by a stock dividend, from $350,000 to $450,000, and by the sale of new stock from $450,000 to $500,000, effective Oct. 24. (Number of shares outstanding—20,000 shares, par value $25.)

* * *

By the sale of new stock, the **First National Bank of Niles, Niles, Mich.,** has increased its common capital stock from $465,000 to $620,000, effective Oct. 27. (Number of shares outstanding—62,000 shares, par value $10.)

* * *

Erhart D. Edquist and Herbert P. Heath have been elected to the Board of Directors of the **Omaha National Bank, Omaha, Neb.**

* * *

Pending final approval of the Comptroller of the Currency, the consolidation of the **First National Bank, Louisville, Ky.,** and the **Lincoln Bank & Trust Co., Louisville, Ky.,** under the title of the **First National Lincoln Bank of Louisville, Ky.,** will be effective Nov. 11. The stockholders of both banks have already approved the merger.

The combined assets of both banks at the end of the third quarter was $239,819,939, and the deposits were $212,370,813.

For each share of Lincoln stock turned in, stockholders will receive 1.18 First National trustees' certificates.

* * *

By a stock dividend, the **First National Bank of Arizona, Phoenix, Arizona,** has increased its common capital stock from $10,143,000 to $10,650,150, effective October 25. (Number of shares outstanding—1,065,015 shares, par value $10.)

* * *

Raymond E. Rowton has been elected a Vice-President of the **California Bank, Los Angeles, Calif.**

* * *

The Directors of the **Rogue Valley State Bank, Medford, Oregon,** and the **Oregon Bank, Portland, Oregon,** have given approval to the proposed merger of the two banks, but is subject to the approval of regulatory authorities and the stockholders of the two banks.

The resources of the Oregon Bank, which are approximately $34,600,000 would have an additional $6,500,000 from Rogue Valley State Bank.

* * *

The Chase Manhattan Bank (South Africa) Ltd., will open new banking quarters on Monday, Nov. 7, in Cape Town, Union of South Africa.

Located in the new African Life Building in Thibault Square, the new quarters will replace the bank's temporary offices in Radio City Centre in the Foreshore section of Cape Town.

Henry J. Galbraith will continue as Manager and Walter J. Niegowski as Assistant Manager of the Cape Town office, Mr. Barth, Senior Vice-President, said.

In order to conform with South African banking regulations, Chase Manhattan established The Chase Manhattan Bank (South Africa) Ltd. as a domestic corporation in that country. The corporation also operates a bank in Johannesburg.

N. Y. World's Fair Corp. To Borrow $67.5 Million

Eastman Dillon, Union Securities & Co. to handle sale of notes via subscriptions. No general public offering or underwriting contemplated. Fair to attract 70 million visitors.

The New York World's Fair Corporation expects to borrow $67,500,000 on promissory notes via subscription rather than a general public offering or underwriting, it was stated on Nov. 3 by John W. Hanes, Chairman of the Corporation's Finance Committee. The firm of Eastman Dillon, Union Securities & Co., New York City, as financial representatives of the Corporation, will form a group to solicit the subscriptions.

John W. Hanes

In the course of his remarks before the New York Chamber of Commerce, Mr. Hanes observed that the Fair, to be held in Flushing Meadow Park, Flushing, New York, in 1964 and 1965, expects to attract approximately 70,000,000 visitors. The anticipated cost of $500,000,000 for the buildings to be erected will be paid for by individual exhibitors. Other officers of the Fair Corporation are Robert Moses, President and Chief Executive Officer; Thomas Deegan, Chairman of the Executive Committee; and Bernard Gimbel, Chairman of the Organization Committee.

"The early response from industrial exhibitors and the general enthusiasm here and abroad assure the overwhelming success of the Fair," said Mr. Hanes. "Prudent and conservative expenditure of funds, as estimated, can assure the Fair of financial success as well.

"Total expenses including the cost of construction, operating and financing up to the opening date May 1, 1964 are estimated to amount to $98,300,000. Pre-opening revenues from advance rentals and ticket sales are estimated to total $30,800,000. This advance income plus the amount borrowed is expected to cover all expenses.

"The cost of construction of buildings will be carried by the individual exhibitors and an informed estimate indicates that this will amount to approximately $500,000,000.

"During the period of the Fair itself revenues are estimated to be sufficient to repay all money borrowed as well as costs and expenses. It is expected that a substantial surplus will remain and will be paid to the city of New York for restoring and improving Flushing Meadow Park and for educational purposes. These revenues will be collected from rentals, concessions, licensing, and attendance—40,000,000 people are expected in 1964 and 30,000,000 in 1965."

With R. W. Pressprich

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — J. Ogden Mills, Jr. has become affiliated with R. W. Pressprich & Co., 605 Market Street. He was formerly with Paine, Webber, Jackson & Curtis.

Three With Fahrner Co.

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif. — Jay C. Germain, Lewis F. Jensen and Marvin D. Wadley have joined the staff of Homer Fahrner & Co., Jay Building. Mr. Germain and Mr. Wadley were formerly with Reynolds & Co. Mr. Jensen was with Francis I. du Pont & Co.

Elworthy Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Philip S. Carlton, Jr., has been added to the staff of Elworthy & Co., 111 Sutter Street. Mr. Carlton was formerly in the investment analysis department of the First California Company.

Anderson With Reynolds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Alonzo W. Anderson has become associated with Reynolds & Co., 425 Montgomery Street. Mr. Anderson, who has been in the investment business for many years, was formerly with Henry F. Swift & Co. and Hooker & Fay.

Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Leon M. Blum has become connected with Shearson, Hammill & Co., 235 Montgomery Street. He was formerly with Brush, Slocumb & Co. Inc.

With Bramman-Schmidt

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Arthur E. Miller is now with Bramman-Schmidt-Busch, Inc., Boatmen's Bank Bldg., members of the Midwest Stock Exchange. He was formerly with Jaclyn Oertle Investment Securities.

AS WE SEE IT

Continued from page 1

ures quickly developed drove such men as Senator Glass and Al Smith almost to apoplexy and could hardly have been further from the historical position or philosophy of the party to which the President belonged and to which he owed his election to the highest office of the land.

But there are other examples as definite and convincing if not quite so astounding. Who would have supposed that the Federal expenditures under President Eisenhower (who had so much to say—and still has so much to say—about fiscal responsibility and reason) would reach and surpass $80 billion and, despite it all, show so relatively slight tendency to recede from this remarkable height? Of course, the budget results of the fiscal year, 1959, were the result in substantial part of a recession which the powers that be at Washington tried to overcome with measures inspired by the New Deal—which in itself is not without deep significance—but only during the first year or two in office did the Eisenhower Administration succeed in making any headway at all in reducing Federal outlays, and even then was able to get them back only to about where they were when General Eisenhower was first campaigning for the Presidency.

Since 1955 there has been an increase each and every fiscal year except in 1960 when a relatively small reduction was recorded. Of course, during all the latter part of his terms of office the President had to work with a Congress dominated by the party of Roosevelt and Truman, but there is no really clear or convincing evidence that the fiscal results of those years would have been radically different had the party of the President been in control of Congress—and in any event the very election of a Congress controlled by the opposition was evidence of the trend of popular thought which the President could not fully ignore. While the Eisenhower Administrations, as we have often been at pains to say, have much to commend them in comparison with what occurred during the decade or two preceding them, it is clear without citing further evidence that both Republican members of Congress and the President himself have been substantially influenced by what they have heard at their listening posts throughout the country.

What's Ahead?

This brings us to a consideration of the situation which the new President will have to face when he enters the White House next January, and to what appears likely to be the popular pressures then operating. It is to these primarily that we must look for guidance in formulating our idea as to what we are to expect from Washington next year. First, let it be noted that the general course of business has not been fully satisfactory in a good many sections and branches of business with the result that unemployment is in evidence and the general psychology of at least a minor recession is developing if it has not already developed. Again, let it be taken into full account that not only the politicians but the country at large is fully committed to the general principles of the [full] Employment Act of 1946.

Naturally, we are not prepared to say what this general situation will be like next January. There are economists who think the worst will be over before the end of the year—and, of course, that nothing of the nature of a real depression is in prospect. The Reserve authorities certainly have been doing all that common notions of their role entails to lessen the severity of any setback and to shorten its course. It may be taken for granted that there will be no wish in the New Administration for tighter conditions in the credit and money market at least until there has been a marked turn in conditions. What is almost equally certain is that a continuance of the drift downwards in business conditions will bring efforts on the part of Congress and the new Administration to take fiscal steps to stimulate betterment in the general state of affairs, and quite likely some sort of Federal program on behalf of "depressed areas."

More for Defense

Pressure has for a good while past apparently been building up for substantially larger outlays for defense and such "prestige" programs as those that have to do with space explorations and space stunts. The odds are certainly in favor of at least some yielding in this matter. Almost any sort of activity in this area costs a great deal of money. Heaven knows what is ahead in agricultural subsidy programs. It would appear that such influence as President Eisenhower has had in behalf of moderation here will now no longer be potent. If we escape heavy additional burdens in the form of payments to farmers we shall certainly be entitled to count ourselves fortunate. He would be an optimist, we are afraid, who expected anything other than a substantial increase in Federal outlays next year whether or not better business promises larger revenues.

It is in considerations such as these that we must look for indications of what is in store for us in Washington, and, in at least those areas cited, conditions are clear enough for the tentative conclusions set forth above.

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sumption expenditures in the U. S. rose from $221 billion in 1949 to $314 billion in 1959, for an increase of 42% in the decade. Residential nonfarm housing expenditures in real terms increased from $12.8 billion in 1949 to $22.3 billion in 1959, a rise of 74%, considerably higher than the rate of increase in GNP or personal consumption expenditures.

The Driving Forces in the U. S. Economy During the Fifties. What were the driving forces behind the high rate of economic growth in the Fifties? Of course there were many forces at play, but there are five that I think were of special importance.

First the American economy in the Fifties was given a great continuing stimulus by the backlog of demand for consumer goods and housing which was built up in the depressed Thirties and during World War II. This huge pent-up demand, made effective by the buildup of personal holdings of liquid assets (cash, checking accounts, savings accounts, war bonds, etc.) during the war, as well as very easy terms on consumer and housing loans, has been a great factor in the high rate of consumer spending and housing since the end of World War II. I have singled out this force for mention first because we may now be reaching a point where this pent-up demand has spent most of its strength.

A second force in the Fifties contributing to the high rate of growth was certainly the postwar bulge in family formations, particularly in the early part of the decade.

Thirdly, and of great importance, has been the high and rising level of Federal spending. In real terms (1959 prices), Federal expenditures for goods and services rose from $30.6 billion in 1949 to $53.3 billion in 1959, or 74%. Behind this, of course, was the Korean War and the state of cold war since then with the Communist bloc.

A fourth factor behind the remarkable economic growth of the Fifties was the high and rising rate of plant and equipment expenditures by American industrial concerns. This was in part stimulated by the rising level of consumer expenditures, as well as housing expenditures, but it was also the product of increasing industrial competition and the enormous growth of industrial research and the development of new production methods and new products.

The fifth and final force which I would cite as playing a significant role in the economic growth of the country during the past decade is the steady expansion of expenditures by state and local government units for highways, bridges, schools, and a host of other public improvements. State and local expenditures rose steadily from $26.5 billion in 1949 to $44.3 billion in 1959 (both expressed in 1959 prices), an increase of 67%.

Growth and Inflation Went Hand in Hand

The Inflation of the Fifties. The impressive rate of economic growth of the U. S. in the Fifties was, regrettably, accompanied by serious inflation in which the index of consumers' prices rose 22% from 1949 through 1959. Nearly half of this rise occurred during the Korean War, but nonetheless there was a rather persistent attrition in the value of the dollar throughout the period. Of particular interest to the real estate industry, the inflation was more severe in the housing field during the Fifties. For example, rent as a component of housing costs in the BLS index of consumers prices rose 33%, and the Boeckh index of residential construction costs increased 34% from 1949 through 1959. I mention housing costs in particular because of the growing concern in many quarters that inflated costs may now be one of the vital reasons why housing has not moved ahead at a faster rate this year.

During the past decade we have had some important adjustments in thinking about the forces behind rising prices. There is no doubt that underlying the inflation was a tendency for general market demand for goods and services to press against comparatively scarce supplies. At the same time, however, rising costs, based on the market power of organized labor and industrial concerns, have undoubtedly played an important role in the inflation process.

I think that it is highly significant that as we move into the Sixties, public concern about "creeping inflation" has been dampened. The inflation psychology of the general public, so apparent in 1959, has now largely disappeared, due undoubtedly to the clear evidence that Federal authorities are prepared to employ fiscal and monetary policy measures vigorously to combat inflation. The decline of public inflation psychology is also undoubtedly the result of evidence that industrial management has exhibited greater willingness to resist wage increases not justified by improved labor productivity.

Business Fluctuations in the Fifties. Another aspect of the American economy in the Fifties which needs to be noted, for the light it may shed on the Sixties, is the matter of business fluctuations. In a market economy such as ours, there are bound to be fluctuations in general business activity, and the hope is that they will be held to narrow amplitude. During the Fifties we did, of course, experience fluctuations in business, but by past standards they were comparatively moderate. As measured by the Federal Reserve Board index of industrial production, for example, we had a modest business adjustment in 1952 and somewhat sharper adjustments in the second half of 1953 running into mid-1954, and again in late 1957 runnng into the Spring of 1958. But these adjustments were more in the nature of pauses in the upward movement of the FRB index from 64 in 1949 to 105 in 1959.

More Moderate Business Fluctuations

There are many who believe that during the Fifties we began to see the influence of a number of forces which promise to reduce the ampliture of general business fluctuations. Often mentioned are the so-called "built-in stabilizers," meaning such things as the automatic decline or increase in Federal tax-revenues as general business either recedes or moves upward, and the resultant automatic development of Federal deficits or surpluses, as well as the support supplied by unemployment benefits in a recession. Also often noted is the more effective use of Federal Reserve policy measures since 1951, as well as improved use of Federal fiscal measures. Moreover, as the economy has expanded it seems to have developed a capacity for "rolling adjustments" in which we might experience a decline in business and industrial plant and equipment expenditures, for example, but at about the same time a rise in housing. The acceleration in housing starts in 1954-1955, and again in 1958-1959, played an extremely important role in the comparative mildness of the general business fluctuations which occurred in those periods.

Accordingly, the experience of the Fifties lends encouragement to the belief that general business fluctuations in the foreseeable future will be moderate. This view is fortified by certain institutional changes which have taken place in the national economy, notably the great growth of the amortized home mortgage and especially the government-insured and guaranteed mortgage, the effective use of credit restrictions in the stock market, and the Federal deposit insurance system. There still remains a very important question for the Sixties, however. Was the freedom of the Fifties from serious business fluctuations the product of forces such as I have outlined, or was it more the fact that business fluctuations were bound to be moderate during the final 10 years of a post-World War II sustained upward surge of the national economy? If the long upward swing in economic activity has come to a close, or is at least now topping out, may we now be entering a period in which business fluctuations will tend to be more pronounced? I merely raise the question here and will try to answer it presently.

The Capital Markets in the Fifties. There is one final aspect to the national economy in the Fifties which it would be helpful to consider for the light it may shed on prospects for the Sixties. That is the condition which has prevailed in the market for capital funds—for long-term financing of business and industry, housing, Federal, state, and local government requirements, and other needs. It is not necessary to belabor the point for the informed that during the Fifties we experienced a rather chronic condition in which the demand for capital funds outstripped the supply available from the nation's savings.

I have prepared a table showing the sources and uses of capital funds in the U. S. during 1948-1959. All of these figures are on a "net" basis. For example, in 1959 the figure of $13.6 billion for 1-4 family mortgages is the net increase in these mortgages outstanding during 1959, or the $4.3 billion for 1959 in the case of corporate bonds is the net increase in outstanding corporate debt. Similarly, taking sources of funds, the 1959 figure of $5.1 billion for life insurance companies represents the net increase in their funds available in the capital markets.

The table shows only the volume of uses of capital funds which the various sources were able to supply. It does not unfortunately provide any measure of the un-

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satisfied demand for funds which pressed against the available supplies. Nonetheless, the table does show the sharp rise in total uses of funds from $30 billion in 1950 to $56.8 billion in 1959. Especially noteworthy is the increased use of funds to finance residential mortgages — from $7.6 billion in 1950 to $10.1 billion in 1958 and $13.6 billion in 1959. Similarly, note the steady rise in the use of mortgage credit for other than 1-4 family homes.

As the result of the chronic tendency for demand for capital funds to run ahead of supply, the level of long-term interest rates rose considerably in the Fifties. As we look to general economic prospects for the Sixties, therefore, one of the questions will be the availability of long-term financing and the movement of interest rates.

The Economic Outlook for the Sixties

With this general background of the behavior of our national economy in the Fifties, I turn now to the heart of our discussion — the prospects for the Sixties.

Basic Forces Operating in the Sixties. There are five forces I would like to review which I think will have an important bearing on the behavior of the national economy in the next 10 years.

First, the events of the recent past in the General Assembly of the United Nations confirm that the cold war will remain with us, and probably intensify, for the foreseeable future. This makes it certain that Federal expenditures for military preparedness and foreign economic aid are likely to rise further in the next several years. We are just beginning the task of trying to win or maintain the friendship of the new African nations against the ruthless competition of the Communist bloc. Our efforts to overcome the lead of the Russians in space are bound to mean accelerated Federal spending. Moreover, I suspect that Federal policies aimed at stimulating a faster rate of economic growth of the country, to keep ahead of the Communist countries and to demonstrate that our free economic system is better than theirs, will lead to rising Federal spending in certain areas such as education, housing, medical aid, and the like. Later, I shall say something about the dangers involved in this trend toward rising Federal expenditures, of which I take a dim view, but it seems to me very likely to occur.

Secondly, during the Sixties we have the prospect of a significant stepping up in the rate of household formations which should contribute to a rising volume of consumer expenditures and home building. According to the latest projections of the Bureau of the Census, the annual rate of household formations will increase for the next 20 years. Under the most favorable assumptions for increase, the Bureau of the Census projects that the annual rate of household formations will rise from about 883,000 in the last two years of the Fifties to an annual rate of about 1,018,000 in the first five years of the Sixties, and to a slightly higher annual rate of 1,083,000 in the second half of the decade. During the Seventies the projections show a more pronounced rise to an annual rate of 1,338,000 in the second half of that decade. Accordingly, the expanding markets for consumer goods and housing occasioned by the higher rate of household formation should enhance the general economic prospects of the Sixties. However, the impact of a rising rate of household formation this decade should not be exaggerated. The average annual rate of 1,083,000 in the second half of the Sixties is still considerably below the annual rate of 1,525,000 in the three-year period from April 1947 to March 1950.

Thirdly, with the expansion of family formation in the Sixties, a continued substantial rise in expenditures by state and local government units seems to be indicated. This is an area in which there is still a large backlog of demand. As noted earlier, state and local expenditures (in real terms) increased persistently from $26.5 billion in 1949 to $44.3 billion in 1959, and it would not be surprising to me if they showed a comparable increase in this decade, which would carry them to the neighborhood of $75 billion by 1970. Here would be a powerful force toward a rising level of general business activity.

Fourthly, it seems likely that with the other three forces I have mentioned at play, the rate of business and industrial plant and equipment expenditures should continue to move upward from the levels of the Fifties. Spurred by keen competition in our industrial system, and still further increases in the funds devoted to industrial research, plant and equipment expenditures by business and industry should trend upward during the decade.

Ending of the Consumer Backlog

Fifthly, and in a more pessimistic vein about the economic outlook, I suspect that the reservoir of demand for consumer goods and housing which was dammed up during the Thirties and World War II is finally in the process of running dry. There is some clear-cut evidence of this. For example, the huge postwar demand on the part of veterans for housing under the VA home loan guaranty program seems to have largely exhausted itself. Indeed, the failure of home-building as a whole to respond this year to somewhat greater availability of mortgage financing, and the increasing reports of pockets of unsold homes and rising vacancy rates in apartment buildings, may also signal in part that the lush days of big backlog demand for housing are reaching an end. In a way, we may be witnessing the same thing in the sale of automobiles today as the public no longer is willing to purchase any car coming on the market but is more insistent on compact cars free of the frills which were accepted in the Fifties.

Again, as noted earlier, the huge backlog of demand which was evident in the first decade and a half after the War was fed by liquid assets accumulated by the public during the war, and even more so by the easier and easier credit in the consumer loan and home loan fields. The consuming public has used up a good part of these liquid assets, or they have been drained by the rising price level, and we have apparently gotten to the end of the line in making consumer or home mortgage terms easier.

I am not saying that the level of consumer expenditures will not continue to rise in the Sixties. I am confident that it will. What I am saying is that consumer spending in the Sixties will not be fortified by the great backlog of wants and desires which characterized most of the Fifties. Markets should become much more competitive as consumers become more selective. We are probably moving into a decade of the "hard sell."

Possible Dimensions of Our Economy in the Sixties. It would perhaps be helpful to take a look at the dimensions our national economy is likely to take on in the Sixties, on the basis of reasonable assumptions. The average annual rate in real terms at which our national economy has tended to grow over a long period has been about 3%. In some periods the rate of growth has been considerably higher, and in some lower. I do not like to get involved in a "numbers game," but it seems likely, on the strength of such forces as outlined above, that the average annual rate of economic growth during the Sixties will exceed the historical average rate of 3%. My guess is that the annual rate of growth of our economy in the Sixties will turn out to be of about the same magnitude as it was in the Fifties, which was 3.8% in real terms.

Effect of 4% Growth Rate

Let us suppose that the growth rate in the Sixties turned out to be 4%. What would this mean in terms of some of the indicators familiar to this audience? It would mean that the total value of all goods and services produced in the U. S., and GNP, would rise to $744 billion by 1970, as compared with a figure of $482 billion in 1959 and around $500 billion this year. Both of these figures are expressed in terms of the general price level of 1959, so that this expansion would be in real terms. Similarly, by 1970 personal consumption expenditures might be expected to reach about $435 billion, as compared with $314 billion in 1959. Or to take another significant indicator, particularly for this group, with a $744 GNP in 1970 it would be logical to anticipate about $31 billion of non-farm residential construction expenditures in the U. S. that year, as compared with $22.3 billion in 1959. Total new private construction expenditures, including business and industrial construction as well as residential, may be expected to rise to about $56 billion in 1970 as compared with $40.3 billion in 1959. These figures certainly are not discouraging to the real estate business!

Let us consider briefly some of the possible developments in the capital markets in the Sixties. The table which we referred to earlier will be helpful here. As we noted earlier, the table shows a pronounced upward movement in the annual net increase in 1-4 family mortgages. I expect this to continue into the Sixties, both because of the rising demand for home mortgage credit and because of available supplies. By 1970 the net increase in 1-4 family mortgage debt, on a conservative estimate, seems likely to be running at a level of around $20 billion. Other mortgage credit will also continue its steady rise, up to the level of about $8 billion by 1970.

Will Mortgage Funds Be There?

One of the big questions which has been discussed in the past couple of years is whether funds will be available to finance the level of housing predicted by many to rise to two million housing starts per annum from 1965-1970. I think that the money will be forthcoming, perhaps rather comfortably. My thinking on this is as follows. If you examine the first two uses of capital funds in the table, it is evident that there has not been any marked upward trend in the net increase in corporate bonds and stocks. This is not surprising because it is well known that to a larger and larger degree industrial corporations are financing themselves by means of retained earnings. If this trend should continue, and I think it is likely to do so, a rising proportion of the funds of institutional investors such as life insurance companies will have to be directed into the home mortgage market.

One of the most interesting questions has been whether corporate pension funds will enter the home mortgage market in volume. If we look at the figures for corporate pension funds in the table, it is clear that they are one of the fastest growing sources of capital funds, with practically all of their money going into corporate bonds and stocks. If I am correct about the continued trend toward internal financing by corporations, it seems to me that the pension funds will be obliged to divert some of their rising funds into residential mortgages. Moreover, they are likely to move strongly into the expanding commercial mortgage field.

A further glance at the table confirms what everybody knows —that the fastest growing source of funds is the savings and loan associations. The net increase in their investments rose phenomenally from $2.1 billion in 1950 to $8.3 billion in 1959, and who would be bold enough to say that they are slowing down! Their growth alone may go far to assuring an adequate supply of residential mortgage financing in the Sixties.

One use of funds which in the Sixties is likely to absorb a sharply rising amount of funds is state and local Government financing. It would not surprise me if the net increase in state and local debt by 1970 were running at a level approaching $10 billion.

Perhaps I should say just a word about the life insurance companies as a source of capital funds in the Sixties. As you will note, their growth in the Fifties was comparatively slow. I believe that if the general price level is held fairly stable during the Sixties, there will be a renewed rise in the funds life companies have available for investment. Aside from the security provided by life insurance, it is an excellent form of investment with the life insurance companies on the average now earning 4% on their invested funds.

Slum Clearance and Urban Redevelopment. During the Fifties, especially in the latter part, there was much talk about slum clearance and urban redevelopment, but the accomplishments were modest. This was probably not surprising because of the pronounced trend to the single-family house in suburban areas, as well as the tremendous demand for capital funds for all uses which tended to crowd out urban renewal. As we move into the Sixties, I suspect that we shall see somewhat fewer single-family homes built in the suburbs and more multi-family dwellings in the cities. As a daily commuter from Connecticut to New York City on the New Haven Railroad, I can assure you that the urban and suburban sprawl in the New York metropolitan area is being put to a severe test by the broken down railroads. Here is a major rehabilitation job for the Sixties, and I doubt that it will be accomplished in time to prevent a return to the cities by many unhappy suburbanites. My guess, therefore, is that during the Sixties we shall see a real beginning made in the slum clearance and urban renewal field.

Business Fluctuations in the Sixties. One thing we can be certain about in the Sixties is that the growth of our economy will not be smooth and uninterrupted. It is inherent in our free market system for fluctuations in general business activity to occur. However, I do not believe these fluctuations will be any more serious than they were in the Fifties. The strength of demand for goods and services by consumers, business and industry, and government should insure that recessions will

Sources and Uses of Funds in the Capital Market, 1948-1959

(In billions of dollars)

Sources of Funds	*1948*	*1949*	*1950*	*1951*	*1952*	*1953*	*1954*	*1955*	*1956*	*1957*	*1958*	*1959*
Life insurance companies	3.4	3.6	3.7	3.7	4.4	4.7	5.0	5.3	5.0	4.7	4.9	5.1
Savings and loan associations	1.2	1.3	2.1	2.0	3.1	3.7	4.2	5.7	4.9	4.9	6.2	8.3
Mutual savings banks	1.0	1.0	1.0	0.8	1.7	1.8	2.0	2.1	2.0	1.7	2.4	1.5
Corporate pension funds	0.7	0.7	0.9	1.3	1.5	1.7	1.9	1.9	2.2	2.6	2.7	3.3
Commercial banks	—1.7	6.0	6.6	6.1	9.1	4.1	10.3	5.1	4.5	5.1	15.2	4.3
Federal Reserve Banks	0.8	—4.4	1.9	3.0	0.9	1.2	—1.0	—0.1	0.1	—0.7	2.1	0.3
State and local funds	1.0	1.0	1.5	1.5	2.2	2.5	2.9	1.8	2.4	2.5	1.3	2.7
U. S. investment accounts	3.0	2.0	—0.1	3.1	3.6	2.4	1.3	2.1	2.3	1.2	—0.9	—0.7
Federal loan agencies	0.1	0.4	0.4	0.9	0.9	0.1	—0.3	0.5	1.0	1.6	0.8	2.5
Corporations	3.5	2.9	7.9	3.0	2.5	2.4	0.1	10.5	—1.0	2.1	5.1	8.6
Fire and casualty cos.	1.0	1.1	0.8	0.7	1.2	1.3	1.2	0.9	0.5	0.8	0.9	1.2
Foreigners	—0.1	0.1	1.5	*	1.0	0.6	0.6	1.3	0.5	*	*	4.5
Individuals and others	4.4	3.1	2.0	1.7	4.8	5.2	1.9	9.3	7.9	7.0	3.2	15.3
Total Sources	18.1	18.9	30.0	27.9	36.9	31.9	30.1	46.5	32.3	33.6	43.9	56.8
Uses of Funds												
Corporate bonds	4.7	3.3	2.0	3.6	4.9	4.8	3.8	4.2	4.7	7.1	5.9	4.3
Corporate stocks	1.1	1.3	1.5	2.3	2.4	1.9	1.8	1.9	2.5	2.7	2.1	2.3
State and local gov't. debt	2.2	2.3	3.1	2.4	3.1	3.5	4.2	3.5	3.3	4.9	5.9	5.1
U. S. Government debt	—4.1	4.3	—0.4	2.7	8.0	7.8	3.5	2.0	—4.1	—1.7	8.0	7.9
Federal agency debt	0.3	—0.1	0.4	0.2	*	*	*	1.5	0.6	2.1	—0.5	2.4
Mortgages: 1-4 family	5.1	4.3	7.6	6.5	6.8	7.6	9.6	12.6	10.8	8.6	10.1	13.6
Other	2.2	2.1	2.6	2.9	2.3	2.3	2.8	3.6	3.8	3.5	5.2	5.6
Business credit	2.3	—2.5	8.1	5.2	2.9	—1.8	1.4	9.5	7.4	3.1	4.4	6.8
Consumer credit	2.8	2.9	4.1	1.2	4.8	3.9	1.1	6.4	3.6	2.8	0.3	6.3
All other credit	1.7	0.9	1.1	0.7	1.6	1.9	2.0	1.3	—0.3	0.6	2.6	2.6
Total Uses	18.1	18.9	30.0	27.9	36.9	31.9	30.1	46.5	32.3	33.6	43.9	56.8

* *Less than $50 million.*

Note: Because of rounding components may not add to totals shown.

be short-lived. Moreover, more effective use of monetary and fiscal policy by the Federal Government, and the built-in-stabilizers, should help to provide growth on a well-sustained basis. I cannot forsee any possibility of a major depression or even serious recession throughout the decade.

The Movement of Interest Rates in the Sixties. What about the behavior of interest rates during the Sixties? Just as was true in the Fifties, interest rates in the Sixties will fluctuate in response to changing demand for loanable funds, as well as changes in monetary policy. However, because of very high demands for capital funds during the Sixties, I cannot foresee the possibility of any downward trend of long-term rates. Instead, I would expect the general level of interest rates to fluctuate around the level reached in 1959. Due to the likelihood of a better balance between demand and supply, I do not expect a continuation of the pronounced upward trend that occurred in the Fifties provided we can avoid further inflationary excesses. This is a big proviso. Inflation breeds rising interest rates because it brings about inflated demands for capital funds and at the same time discourages saving.

The Dangers to Our National Economy in This Decade

Accordingly, the prospects are favorable for a period of sustained economic growth of the United States in the Sixties. There is, however, one cloud on the horizon which I would like to consider in my closing remarks. This is the danger that the Federal Government, in an effort to promote faster economic growth, will turn to policy measures which will bring about a resurgence of inflation. This would be a most unfortunate development because inflation is the enemy of healthy economic growth.

What evidence is there that the resurgence of inflation in the Sixties is a real threat? It is this. There is widespread acceptance in the country that an accelerated rate of economic growth of the U. S. is essential in the struggle with Communism. According to estimates made by the U. S. Central Intelligence Agency, the GNP of Soviet Russia this year will amount to $225 billion and will grow at a 6% rate compounded to $420 billion in 1970. Although this would still leave the Soviet economy considerably below the figure of $775 billion which the GNP of the U. S. is likely to reach by 1970, the rate at which the Soviet economy is now growing is considerably higher than our own growth rate, which as we saw was 3.8% in the Fifties.

There is a highly vocal and influential body of opinion in our country today which holds that the basic reason the American economy is not growing at a much faster rate is that the volume of spending by consumers, business and industry, and various levels of government, has not been great enough to stimulate the economy into all-out production. In other words, the national economy could grow at a faster rate, it is argued, if the national purchasing power and the rate of spending were higher. The reason why national spending is not higher, the argument goes, is because the Federal Government has been pursuing a "tight money policy" and has been too stingy in its own spending activities. The charge is made that the Federal Government has been too concerned about preserving the value of the dollar and not concerned nearly enough with achieving "full employment" and economic growth. In any event, it is argued, restricted Federal spending and "tight money" were not the correct measures to combat inflation in recent years because the principal cause of inflation was economic power on the part of labor and management and the ability to foist higher costs onto the public in the form of higher prices.

Opposes "Forced" Growth

There is not time to dissect this argument, but I take strong exception to it. The proponents of this general line of argument go on to prescribe two steps that the Federal Government should take to expand national spending. *One* of these is that the Federal Reserve authorities should pursue a policy of easy credit and should force interest rates down to the lowest possible level without incurring a severe rise in the general price level. The other step is that the Federal Government should sharply increase its expenditures for certain social purposes — health, education, slum clearance and urban renewal, and similar programs. This would not have to mean Federal deficits, it is contended, because a faster growing economy would yield higher tax revenues, so that the Federal budget could be held in balance.

The proponents of this argument frankly admit that this program may lead to a renewal of "creeping inflation," but they argue that this is a price that must be paid to assure maximum economic growth and full employment. It is further argued that should "creeping inflation" begin to move at a faster pace, the way to stop it would not be by Federal Reserve action to restrict the general availability of credit. Rather, it would be by more effective application of antitrust measures, selective credit controls in certain specific areas such as home mortgages, and ultimately, if needed, general price ceilings.

It is this line of thinking, which has powerful support at the present time, which I believe presents a serious threat to the otherwise good prospects for sustained economic growth in the Sixties. I believe that the type of program which I have just outlined would most certainly lead to considerably more serious inflation than we experienced in the Fifties. It would not give the country a faster rate of growth. Actually it would throttle growth for the following simple reason.

The heart of the economic growth process in our kind of market economy is the willingness of the American people to save a portion of their income. The table previously referred to shows this well. The growth of industry, commerce, housing, and many public works has been financed by the saving of the American people through such institutions as life insurance companies, savings banks, savings and loan associations, pension funds, and the like. The distressing fact is that inflation destroys the willingness of the American people to save. It replaces the willingness to save with the urge to speculate. We saw this only too clearly in the great bull market in common stocks during 1959. Inflation inevitably produces rising interest rates because it inflates capital demand and discourages saving. It is no answer that the rise in the general price level will be of a "creeping" nature. Once the American people come to expect "creeping inflation" as a regular thing, "galloping inflation" is bound to develop.

In conclusion, I believe that the United States has very favorable propects for sustained and substantial economic expansion in the Sixties. The danger that I see ahead of us is that the Federal Government, in trying to force a faster rate of economic growth, will pursue inflationary policies and thus destroy the basic source of growth in our economy—the willingess of the people to save and to make their funds available for expanding our industrial capacity, our housing, our public improvements—the whole gamut of capital goods. The primary requirement for faster economic growth in the Sixties is a Government program aimed at encouraging a higher rate of saving and private investment spending. This is the basic way that America has built her industrial might under a free market economy and a democratic political system.

*An address by Dr. O'Leary in the Discussion Series on Current Real Estate Problems, Marquette University, in Co-operation with the Milwaukee Board of Realtors, Milwaukee, Wis., Oct. 5, 1960.

NSTA NOTES

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York (STANY) has nominated the following Candidates to hold office during 1961:

President—John S. Barker, Lee Higginson Corporation.


John S. Barker


Elbridge H. Smith


S. E. Dawson-Smith


Salvatore J. Rappa


Wilbur Krisam

1st Vice-President: Elbridge H. Smith, Stryker & Brown.

2nd Vice-President—S. E. Dawson-Smith, Cruttenden, Podesta & Co.

Secretary—Salvatore J. Rappa, Mergott, Rappa & Co.

Treasurer—Wilbur Krisam, John C. Legg & Company.

Directors (Two-Year Terms)—Joseph R. Dorsey, Bache & Co.; Raymond C. Forbes, Shearson, Hammill & Co.; D. Raymond Kenney, D. Raymond Kenney & Co.; Lewis H. Serlen, Josephthal & Co.

National Committeemen—Samuel F. Colwell, W. E. Hutton & Co.; Michael J. Heaney, Michael J. Heaney & Co.; Stanley L. Roggenburg, Roggenbpurg & Co.

Elections will take place on Friday, Dec. 2, 1960.

SECURITY TRADERS ASSOCIATION OF LOS ANGELES

The Security Traders Association of Los Angeles held its annual meeting on Nov. 4.

Officers elected were as follows:

President—Patrick H. Sheedy, Fairman & Co.

Vice-President—Wm. H. Elliott, J. Barth & Co.

Secretary—Delbert E. Bakerink, Paine, Webber, Jackson & Curtis.

Treasurer—Kenneth O. Barsamian, Morgan & Co.

Governors—Ralph M. Dahl, Sellgren, Miller & Co.; William Ginn, Dean Witter & Co.; and Clemens T. Tucker, Hill, Richards & Co.

LETTER TO THE EDITOR:

Scores Opposition to National Fuels Study

Editor, *Commercial and Financial Chronicle:*

In your issue of Sept. 15, 1960, you quote excerpts from the newsletter published by the Empire Trust Company of New York, which sought to discredit the efforts made in the 86th Congress to establish a Joint Committee to study whether there is a need for a National Fuels Policy.

As in all similar criticisms of the obectives of a national fuels study, the Empire Trust Company's letter refers to the "danger" of "end-use controls" allegedly implicit in such a policy. Like the others, it pointedly ignores the fact that Senate Concurrent Resolution 73 (as amended by Committee Print No. 2) and like companion bills in the House of Representatives do not ask for legislation to impose anything. They ask merely that the Congress authorize a Joint Committee of the Senate and the House which would *study whether a fuels policy for the United States would be in the best interests of the people of this nation.*

From the deliberations of this impartial, bi-partisan Committee would emerge recommendations from which the whole legislative body would be able to decide whether a national fuels policy is needed and if so, what form that policy would assume.

Calls Study Vital

Proponents of the national fuels study believe such a body is vital to the economic, industrial and military future of the United States. They believe that the government of this country should know at all times exactly what our production capacities of low-cost energy fuels are — exactly how healthy our energy fuel-producing industries are—exactly the abilities of our transportation media to haul these fuels from their place of origin to the consumers — exactly what the manpower situation is in regard to the production of these fuels—exactly what this nation could expect in the way of supply of energy fuels were our rapidly-increasing imports of foreign oil suddenly cut off by hostile action.

Proponents of a national fuels study do not ask or expect that a Joint Congressional Committee as proposed will come up with specific recommendations for legislation. They expect only that the Committee will present to the Congress their findings on the complete, vast picture of energy fuels production, distribution and consumption in the United States. From these findings, the Congress would decide if legislation is needed to safeguard the interests of the American people. If it is, the Congress would undoubtedly frame suitable legislation. If it is not, the Congress would presumably take no action to disturb the status quo. It is as simple as that.

Links Opposition to Oil Importers

Why, then, this implacable opposition to the proposed Congressional study as evidenced by many tracts, in the same vein as the Empire Trust Co.'s "Letter," issued by every foreign-oil importing company over the past year? Unless they are apprehensive that such a study will uncover facts that they would rather keep hidden from the American people, what is the reason for their vigorous, vociferous opposition? A study can do them no harm. It will cost a maximum of $200,000 a year for two years—a drop in the ocean compared to what the oil - importing companies are spending to try to sabotage it. Are they afraid that a Congressional study will be the genesis of revelations about the petroleum industry that will rock the industry to its foundations? The coal and railroad industries eagerly await the results of such a study —not because they believe that these results will give them any "monopolies" or "end-use controlled" markets — but because they are convinced that formulation of intelligent, far-sighted plans for our energy fuels utilization means our very existence as a nation. They believe that a sound economy and a secure defense in the United States of America are vastly more important than a sensational profit and loss statement in an individual energy fuel company. They believe that the lack of planning for the future that characterizes much of the energy fuels industry jeopardizes the security of the United States.

Is this an attitude deserving of the violent opposition to which it has been subjected?

JOHN GONELLA,
Assistant to the President,
National Coal Policy Conference, Washington 6, D. C.

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)	Nov. 12	§51.4	*51.9	55.4	45.6
Equivalent to—					
Steel ingots and castings (net tons)	Nov. 12	§1,464,000	1,478,000	1,579,000	1,291,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Oct. 28	6,821,410	6,771,010	6,849,000	6,886,775
Crude runs to stills—daily average (bbls.)	Oct. 28	¶7,934,000	7,947,000	7,949,000	7,491,000
Gasoline output (bbls.)	Oct. 28	27,968,000	28,301,000	29,018,000	27,239,000
Kerosene output (bbls.)	Oct. 28	2,535,000	2,919,000	2,663,000	1,880,000
Distillate fuel oil output (bbls.)	Oct. 28	12,956,000	12,728,000	12,583,000	11,849,000
Residual fuel oil output (bbls.)	Oct. 28	5,717,000	5,408,000	6,168,000	6,279,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Oct. 28	186,815,000	187,002,000	187,417,000	176,147,000
Kerosene (bbls.) at	Oct. 28	36,626,000	36,807,000	35,151,000	33,035,000
Distillate fuel oil (bbls.) at	Oct. 28	178,924,000	177,632,000	168,625,000	181,546,000
Residual fuel oil (bbls.) at	Oct. 28	49,917,000	50,929,000	50,325,000	58,050,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Oct. 29	620,712	637,311	631,645	587,776
Revenue freight received from connections (no. of cars)	Oct. 29	517,410	527,670	531,758	522,335
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 3	$373,400,000	$348,100,000	$602,800,000	$251,900,000
Private construction	Nov. 3	165,200,000	182,600,000	427,600,000	104,300,000
Public construction	Nov. 3	208,200,000	165,500,000	175,200,000	147,600,000
State and municipal	Nov. 3	167,600,000	143,900,000	150,600,000	120,900,000
Federal	Nov. 3	40,600,000	21,600,000	24,600,000	26,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Oct. 29	7,990,000	*8,535,000	8,255,000	7,934,000
Pennsylvania anthracite (tons)	Oct. 29	385,000	362,000	363,000	390,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Oct. 29	149	157	149	145
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Nov. 5	13,982,000	13,883,000	13,779,000	13,019,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 3	317	331	343	265
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 1	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 1	$66.32	$66.32	$66.41	$66.41
Scrap steel (per gross ton)	Nov. 1	$28.17	$29.50	$29.83	$46.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Nov. 2	29.600c	29.600c	32.600c	32.900c
Export refinery at	Nov. 2	26.825c	26.725c	28.225c	30.825c
Lead (New York) at	Nov. 2	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Nov. 2	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Nov. 2	13.500c	13.500c	13.500c	13.000c
Zinc (East St. Louis) at	Nov. 2	13.000c	13.000c	13.000c	12.500c
Aluminum (primary pig. 99.5%) at	Nov. 2	26.000c	26.000c	23.250c	24.700c
Straits tin (New York) at	Nov. 2	103.250c	103.250c	102.250c	101.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Nov. 8	87.38	87.75	87.79	82.79
Average corporate	Nov. 8	87.05	86.91	87.32	84.17
Aaa	Nov. 8	91.77	91.62	91.91	87.86
Aa	Nov. 8	89.23	89.23	89.78	85.98
A	Nov. 8	86.24	86.24	86.78	84.17
Baa	Nov. 8	81.29	80.93	81.17	79.13
Railroad Group	Nov. 8	84.17	83.91	84.68	82.52
Public Utilities Group	Nov. 8	88.13	87.99	88.27	83.79
Industrials Group	Nov. 8	88.95	88.81	88.95	86.38
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Nov. 8	3.83	3.79	3.79	4.25
Average corporate	Nov. 8	4.63	4.64	4.62	4.85
Aaa	Nov. 8	4.29	4.30	4.28	4.57
Aa	Nov. 8	4.47	4.47	4.43	4.71
A	Nov. 8	4.69	4.69	4.66	4.85
Baa	Nov. 8	5.08	5.11	5.11	5.26
Railroad Group	Nov. 8	4.85	4.87	4.82	4.98
Public Utilities Group	Nov. 8	4.55	4.56	4.55	4.88
Industrials Group	Nov. 8	4.49	4.50	4.50	4.68
MOODY'S COMMODITY INDEX	Nov. 8	353.5	354.1	365.1	384.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Oct. 14	299,310	353,910	299,940	300,750
Production (tons)	Oct. 29	318,032	327,941	324,667	332,303
Percentage of activity	Oct. 29	91	93	93	96
Unfilled orders (tons) at end of period	Oct. 29	418,183	435,919	429,110	483,208
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Nov. 4	109.77	109.99	109.65	111.77
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Oct. 14	1,606,250	1,846,760	1,783,190	1,874,840
Short sales	Oct. 14	299,310	363,910	299,940	300,750
Other sales	Oct. 14	1,273,940	1,614,830	1,420,850	1,527,530
Total sales	Oct. 14	1,573,250	1,968,740	1,720,790	1,828,280
Other transactions initiated off the floor—					
Total purchases	Oct. 14	199,300	275,590	253,090	364,030
Short sales	Oct. 14	24,300	33,300	50,960	53,100
Other sales	Oct. 14	168,400	282,200	224,790	317,340
Total sales	Oct. 14	192,700	315,540	275,750	370,440
Other transactions initiated on the floor—					
Total purchases	Oct. 14	477,612	606,580	512,985	670,345
Short sales	Oct. 14	79,020	111,720	95,840	144,583
Other sales	Oct. 14	394,455	475,371	499,880	629,165
Total sales	Oct. 14	473,475	587,091	595,720	773,748
Total round-lot transactions for account of members—					
Total purchases	Oct. 14	2,283,162	2,728,930	2,549,265	2,909,215
Short sales	Oct. 14	402,630	498,930	446,740	498,433
Other sales	Oct. 14	1,836,795	2,372,441	2,145,520	2,474,035
Total sales	Oct. 14	2,239,425	2,871,371	2,592,260	2,972,468
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	Oct. 14	1,263,670	1,432,489	1,351,988	1,705,039
Dollar value	Oct. 14	$62,833,952	$66,212,925	$64,519,362	$89,400,397
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Oct. 14	1,094,297	1,125,784	1,284,281	1,333,654
Customers' short sales	Oct. 14	23,109	20,955	12,884	13,077
Customers' other sales	Oct. 14	1,071,188	1,104,829	1,271,397	1,320,577
Dollar value	Oct. 14	$54,749,975	$52,048,948	$60,308,477	$67,224,748
Round-lot sales by dealers—					
Number of shares—Total sales	Oct. 14	295,800	286,150	403,630	327,980
Short sales	Oct. 14	------	------	------	------
Other sales	Oct. 14	295,800	286,150	403,630	327,980
Round-lot purchases by dealers—Number of shares	Oct. 14	483,990	575,950	438,370	711,220
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	Oct. 14	574,790	690,350	607,280	623,450
Other sales	Oct. 14	10,823,940	12,147,820	11,752,520	11,292,130
Total sales	Oct. 14	11,398,730	12,838,170	12,359,800	11,915,580
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Nov. 1	119.0	119.0	119.5	119.2
Farm products	Nov. 1	88.2	87.8	88.4	86.4
Processed foods	Nov. 1	108.1	108.0	108.4	106.0
Meats	Nov. 1	94.8	94.3	96.7	92.7
All commodities other than farm and foods	Nov. 1	127.5	127.6	128.1	128.7

*Revised figure. ¶Includes 1,001,000 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
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of September (in millions):			
Total new construction	55,434	55,014	38,708
Private construction	38,895	38,756	26,538
Residential buildings (nonfarm)	21,680	21,779	15,473
New dwelling units	16,181	16,296	11,549
Additions and alterations	4,540	4,528	3,240
Nonhousekeeping	959	955	684
Nonresidential buildings	10,173	9,962	6,754
Industrial	3,041	2,934	2,037
Commercial	4,036	3,922	2,647
Office buildings and warehouses	2,087	2,069	1,382
Stores, restaurants and garages	1,949	1,853	1,265
Religious	1,033	1,025	671
Educational	586	574	380
Hospital and institutional	574	547	372
Other nonresidential buildings	903	960	587
Farm construction	1,440	1,403	1,060
Public utilities	5,301	5,328	3,079
All other private	301	284	172
Public construction	16,539	16,258	12,170
Residential buildings	725	721	517
Nonresidential buildings	4,894	4,816	3,195
Industrial	419	380	289
Educational	2,933	2,930	1,904
Hospital and institutional	413	396	268
Other nonresidential buildings	1,129	1,110	734
Military facilities	1,132	1,204	808
Highways	6,272	6,059	5,646
Sewer and water systems	1,481	1,447	846
Sewer	823	839	470
Water	658	608	376
Public service enterprises	692	697	391
Conservation and development	1,121	1,102	640
All other public	222	212	127
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of September:			
New England	$28,228,760	$36,277,649	$31,306,500
Middle Atlantic	187,953,217	143,023,809	171,763,777
South Atlantic	51,139,940	49,925,020	57,535,278
East Central	128,576,090	106,373,545	113,217,678
South Central	104,943,572	109,569,090	102,172,473
West Central	38,435,408	41,543,093	42,114,041
Mountain	39,127,412	34,810,865	38,385,782
Pacific	132,712,983	141,938,445	148,684,470
Total United States	$712,117,382	$663,461,516	$705,179,999
New York City	148,142,480	96,370,363	136,353,039
Total outside New York City	$563,974,902	$567,091,153	$568,826,960
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of September:			
Manufacturing number	218	228	192
Wholesale number	116	121	105
Retail number	604	621	563
Construction number	218	217	191
Commercial service number	113	128	93
Total number	1,269	1,315	1,144
Manufacturing liabilities	$23,011,000	$33,097,000	$15,974,000
Wholesale liabilities	7,381,000	8,127,000	6,992,000
Retail liabilities	23,080,000	22,556,000	16,098,000
Construction liabilities	14,417,000	27,874,000	12,595,000
Commercial service liabilities	12,715,000	5,940,000	3,077,000
Total liabilities	$80,604,000	$97,594,000	$54,736,000
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of September: (000s omitted)	$1,965,500	$371,500	$1,917,600
COTTON GINNING (DEPT. OF COMMERCE):			
To Oct. 18	6,142,935	——	7,005,374
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of September:			
All manufacturing (production workers)	12,357,000	*12,283,000	12,373,000
Durable goods	6,905,000	*6,839,000	6,847,000
Nondurable goods	5,452,000	*5,444,000	5,526,000
Employment indexes (1947-49 Ave.=100)—			
All manufacturing	98.1	*98.4	98.3
Payroll indexes (1947-49 Average=100)—			
All manufacturing	171.1	*170.2	169.1
Estimated number of employees in manufacturing industries—			
All manufacturing	16,465,000	*16,396,000	16,367,000
Durable goods	9,371,000	*9,301,000	9,225,000
Nondurable goods	7,094,000	*7,095,000	7,142,000
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of August:			
Death benefits	$292,200,000	$251,400,000	$245,200,000
Matured endowments	51,400,000	48,400,000	44,200,000
Disability payments	10,700,000	9,700,000	9,300,000
Annuity payments	59,500,000	59,400,000	52,300,000
Surrender values	142,400,000	132,100,000	112,500,000
Policy dividends	123,200,000	104,700,000	104,300,000
Total	$679,400,000	$605,700,000	$567,800,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of August: (000,000s omitted):			
Ordinary	$4,314	$4,055	*$4,063
Industrial	569	541	543
Group	1,017	1,327	1,027
Total	$5,900	$5,923	$5,633
MANUFACTURERS' INVENTORIES AND SALES Month of September (millions of dollars):			
Inventories—			
Durables	$31,600	$31,700	$29,600
Nondurables	22,700	*22,800	22,600
Total	$54,300	*$54,500	$51,600
Sales	30,900	*30,800	30,000
MONEY IN CIRCULATION—TREASURY DEPT.			
As of August 31 (000s omitted)	$32,000,000	$32,000,000	$32,000,000
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES)—Month of August (in long tons):			
Stocks in beginning of period	31,105	31,110	33,745
Receipts	6,345	6,620	4,080
Supply	37,450	37,730	37,825
Stocks at end of period	30,245	31,105	32,975
Total processed	7,205	6,625	4,850
Intercompany scrap transactions	210	105	90
Consumed in manufacturing	6,995	6,520	4,760
Primary	4,635	4,655	2,185
‡Secondary	2,360	1,865	2,575

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.

ACR Electronics Corp.
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriters**—Globus, Inc. and Ross, Lyon & Co., Inc., both of New York City.

Adirondack Industries, Inc. (11/28-12/2)
Oct. 13, 1960 filed 120,000 shares of common stock (par $1), of which 50,000 shares will be offered for the account of the issuing company and 70,000 shares, representing outstanding stock, will be offered for the Estate of Edward D. McLaughlin, company founder. **Price**—To be supplied by amendment. **Business**—The company, for whom this represents the first public offering, makes baseball bats and bowling pins. **Proceeds**—For general corporate purposes. **Office** — Dolgeville, N. Y. **Underwriter**—Shearson, Hammill & Co., New York City (managing).

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.

Aircraft Armaments, Inc. (11/18)
Sept. 26, 1960 filed 265,500 shares of common stock, to be offered by United Industrial Corp. to holders of UIC common on the basis of one Aircraft share for each 8 UIC shares held. **Price**—To be supplied by amendment. **Business**—The issuer, wholly owned by UIC, is engaged in applied research and development in various technical fields and works largely for the Department of Defense. **Office**—Cockeysville, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

● **Alarm Device Manufacturing Co., Inc. (11/14-18)**
Sept. 19, 1960 filed 130,500 shares of outstanding common stock (par 10 cents). **Price** — $4 per share. **Business**—Manufacture and sale of burglar and fire alarm equipment. **Proceeds**—To selling stockholders. **Office**—1665 St. Marks Ave., Brooklyn, N. Y. **Underwriter**—Golkin, Bomback & Co., New York, N. Y.

All American Engineering Co. (11/15)
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds** — For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

Allegri-Tech, Inc. (11/21-25)
Sept. 21, 1960 filed 100,000 shares of 50c par common stock. **Price** — $6 per share. **Business** — The company makes and sells printed circuitry and modules. **Proceeds** — To pay bank notes and other indebtedness incurred for equipment, to finance leasehold improvements, and for research and development expenses. **Office** — 141 River Road, Nutley, N. J. **Underwriter**—Myron A. Lomasney & Co., 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

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NEW ISSUE CALENDAR

November 10 (Thursday)

Illinois Central RR.____________Equip. Trust Ctfs.
(Bids 1:00 p.m. NYT) $2,625,000

November 11 (Friday)

Heldor Electronics Manufacturing Corp.__Common
(S. Schramm & Co., Inc.) $300,000

Kirk (C. F.) Laboratories, Inc.____________Common
(Schrijver & Co.) $299,700

Koeller Air Products, Inc.________________Units
(Lloyd Securities) $200,000

November 14 (Monday)

Alarm Device Manufacturing Co. Inc.____Common
(Golkin, Bomback & Co.) $522,000

Arizona Valley Development Co., Inc.____Common
(Henry Fricke Co.) $300,000

Automatic Radio Mfg. Co., Inc.__________Common
(Paine, Webber, Jackson & Curtis) 423,750 shares

Autosonics, Inc. ________________________Common
(Robert M. Harris & Co., Inc.) $270,000

Baruch (R.) & Co.________________________Common
(R. Baruch & Co.) $200,000

Berkshire Frocks, Inc.____________________Common
(Blair & Co. and Richter & Co.) 120,000 shares

Cavitron Corp. ___________________________Common
(No underwriting) $600,000

Cryogenics Inc. __________________________Common
(John R. Maher Associates) $350,000

Does-More Products Corp.__________________Common
(H. L. Wright & Co., Inc.) $300,000

Dubrow Electronic Industries, Inc.______Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Federal Street Fund, Inc._________________Common
(Goldman, Sachs & Co.) $20,000,000

First Connecticut Small Business Investment Co. ____________________________________Common
(Hill, Darlington & Grimm) $2,250,000

Frouge Corp. ____________________________Common
(Van Alstyne, Noel & Co.) 175,000 shares

Frouge Corp. ____________________________Debentures
(Van Alstyne, Noel & Co.) $1,500,000

Harris-Teeter Super Markets, Inc.________Common
(R. S. Dickson & Co.) $299,988

Indian Head Mills, Inc.___________________Common
(Blair & Co. and F. S. Smithers & Co.) 60,000 shares

Intercoast Companies, Inc.________________Common
(Schwabacher & Co.) 110,000 shares

Lawter Chemicals, Inc.____________________Capital
(Blunt Ellis & Simmons) 70,000 shares

Metcom, Inc. _____________________________Common
(Hayden, Stone & Co.) 100,000 shares

National Film Studios, Inc._______________Common
(R. Baruch & Co.) $300,000

Nationwide Tabulating Corp._______________Common
(Milton D. Blauner & Co., Inc.) $200,000

New Jersey Bell Telephone Co.________Debentures
(Bids 11:30 a.m. EST) $20,000,000

Park Electrochemical Corp.________________Class A
(Stanley Heller & Co. and Michael G. Kletz & Co., Inc.) $700,000

Patrician Paper Co., Inc.__________________Units
(Hill, Darlington & Grimm) 100,000 units

Robosonics, Inc. _________________________Common
(Mandell & Kahn, Inc.) $900,000

Sampson-Miller Associated Companies, Inc.__Com.
(Moore, Leonard & Lynch) 150,000 shares

Tenax, Inc. _____________________________Debentures
(Myron A. Lomasney & Co.) $1,500,000

Texas Butadiene & Chemical Corp.________Common
(Blyth & Co., Inc. and Lehman Brothers) 635,800 shares

Vacudyne Associates, Inc.________________Common
(Kenneth Kass; H. S. Simmons & Co., Inc. and B. N. Rubin & Co.) $200,000

White Avionics Corp._____________________Common
(Planned Investing Corp. and Fidelity Investors Service) $300,000

November 15 (Tuesday)

All American Engineering Co._____________Common
Offering to stockholders—underwritten by Drexel & Co.) 85,918 shares

Caruso Foods, Inc.________________________Common
(Searight, Ahalt & O'Connor, Inc.) $300,000

Davega Stores Corp.___________________Debentures
(Amos Treat & Co., Inc.) $1,500,000

Deere (John) Credit Co.________________Debentures
(Harriman Ripley & Co., Inc.) $50,000,000

Drexel Dynamics Corp.____________________Common
(Warner, Jennings, Mandel & Longstreth) $600,000

Electronic & Missile Facilities, Inc.______Common
(Hardy & Co.) 260,000 shares

Idaho Power Co.___________________________Bonds
(Bids 11:00 a.m. EST) $15,000,000

National Airlines, Inc.________________Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $10,288,000

Northern Natural Gas Co._______________Debentures
(Blyth & Co., Inc.) $20,000,000

Polymer Corp. ____________________________Common
(White, Weld & Co. and A. G. Edwards & Sons) 20,000 shares

Polymer Corp. ___________________Conv. Debentures
(White Weld & Co. and A. G. Edwards & Sons) $2,750,000

R. C. Can Co._____________________________Common
(Reinholdt & Gardner) 230,000 shares

Sexton (John) & Co.______________________Common
(Hornblower & Weeks) 200,000 shares

Stop & Shop, Inc._________________________Common
(Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 625,000 shares

Sulray, Inc. _____________________________Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $300,000

November 16 (Wednesday)

Cannon Electric Co.______________________Common
(Kidder, Peabody & Co.) 200,000 shares

Central Maine Power Co.__________________Common
(Harriman Ripley & Co., Inc.; First Boston Corp. and Coffin & Burr) 120,000 shares

Franklin Discount Co.________________Debentures
(No underwriting) $300,000

Franklin Discount Co.______________________Notes
(No underwriting) $300,000

Goodrich (B. F.) Co.___________________Debentures
(Goldman, Sachs & Co.) $60,000,000

Keyes Fibre Co.________________________Debentures
(Offering to stockholders—underwritten by Coffin & Burr, Inc.) $10,000,000

Mary Carter Paint Co.____________________Common
(Lee Higginson Corp.) 375,000 shares

Matheson Co., Inc.________________________Common
(White, Weld & Co., Inc.) 160,000 shares

Merrimack Essex Electric Co.___________Preferred
(Bids to be received) $7,500,000

Rotron Manufacturing Co., Inc.___________Common
(W. E. Hutton & Co.) 130,000 shares

United Bowling Centers, Inc._____________Common
(Emanuel, Deetjen & Co and Hill, Darlington & Co.) 200,000 shares

Wisconsin Electric Power Co.______________Bonds
(Bids 11:00 a.m.) $30,000,000

November 17 (Thursday)

Public Service Co. of New Hampshire______Bonds
(Bids 11:00 a.m. EST) $6,000,000

Standard Pressed Steel Co.________________Common
(Kidder, Peabody & Co.) 112,760 shares

Transitron Electronics Corp.______________Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 1,250,000 shares

November 18 (Friday)

Aircraft Armaments, Inc.__________________Common
(Offering to UIC stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 265,500 shares

November 21 (Monday)

Allegri-Tech, Inc. _______________________Common
(Myron A. Lomasney & Co.) $600,000

Amacorp Industrial Leasing Co., Inc._____Common
(McDonnell & Co., Inc.) 170,000 shares

Bzura Chemical Co., Inc.__________________Common
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) 450,000 shares

Carolina Metal Products Corp.____________Common
(Arnold, Wilkens & Co.) $500,000

Chemtronic Corp. _________________________Common
(Jay W. Kaufman & Co.) $400,000

Cook Coffee Co.___________________________Common
(Goldman, Sachs & Co.) 100,000 shares

Dalto Corp. ______________________________Common
(Offering to stockholders—underwritten by Sterling, Grace & Co.) $533,021.25

Foremost Industries, Inc._________________Common
(Richard Bruce & Co., Inc.) $300,000

Foxboro Co. ______________________________Common
(Paine, Webber, Jackson & Curtis) 211,000 shares

General Automation Corp.__________________Common
(Bertner Bros. and Earl Edden Co.) $200,000

Geophysics Corp. of America______________Common
(C. E. Unterberg, Towbin Co.) 50,000 shares

Glas Foam Corp.___________________________Common
(Martinelli & Co., Inc.) $300,000

Globe Security Systems, Inc.______________Common
(Drexel & Co.) 100,000 shares

Gremar Manufacturing Co., Inc.____________Common
(Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc.) 100,000 shares

High Point Ski Ways, Inc.________________Common
(Osborne, Clark & Van Buren, Inc.) $300,000

Industrial Hose & Rubber Co., Inc.________Common
(Schrijver & Co.) $500,000

Long Island Plastics Corp.________________Common
(The James Co.) $300,000

Metropolitan Telecommunications Corp.___Common
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) 25,000 shares

Metropolitan Telecommunications Corp.___Debens.
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) $600,000

Model Engineering & Manufacturing Corp.__Com.
(Raffensperger, Hughes & Co.) 140,000 shares

Model Finance Service, Inc.____________Debentures
(Paul C. Kimball & Co.) $1,000,000

Model Finance Service, Inc.______________Preferred
(Paul C. Kimball & Co.) 100,000 shares

Mohawk Insurance Co.______________________Common
(R. F. Dowd & Co., Inc.) $900,000

Preferred Risk Life Assurance Co.________Common
(Preferred Investments, Inc.) $1,500,000

Simplex Wire & Cable Co.__________________Capital
(Paine, Webber, Jackson & Curtis) 118,000 shares

Standard Instrument Corp._________________Common
(Havener Securities Corp.) 50,000 shares

Tech Laboratories, Inc.___________________Common
(Carroll Co. and Dewey, Johnson & Co.) $252,000

Telephone & Electronics Corp._____________Common
(Equity Securities Co.) $264,900

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Tele-Tronics Co. ---------- Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Vibration Mountings & Controls, Inc.---- Common
(Michael G. Kletz & Co., Inc.) $525,000

Willer Color Television System, Inc.------ Common
(Equity Securities Co.) $242,670

Williamsburg Greetings Corp.---------- Common
(Standard Securities Corp.; Bruno-Lenchner, Inc. and Amos Treat & Co., Inc.) $1,080,000

November 22 (Tuesday)

American Heritage Life Insurance Co.--- Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith, Inc. and Pierce, Carrison, Wulbern, Inc.) 354,240 shares

Berman Leasing Co.---------- Common
(Eastman Dillon, Union Securities & Co.) 430,000 shares

Consolidated Edison Co. of New York------ Bonds
(Bids to be received) $75,000,000

November 23 (Wednesday)

United Air Lines, Inc.---------- Debentures
(Harriman Ripley & Co., Inc.) $25,000,000

November 28 (Monday)

Adirondack Industries, Inc.---------- Common
(Shearson, Hammill & Co.) 120,000 shares

Andersen Laboratories, Inc.---------- Common
(Putnam & Co.) 150,000 shares

Brothers Chemical Co.---------- Common
(Sandkuhl & Company, Inc.) $300,000

Canaveral International Corp.---------- Common
(S. Schramm & Co., Inc.) 300,000 shares

Dial-A-Disk, Inc. ---------- Common
(McClane & Co., Inc.) $300,000

International Mosaic Corp.---------- Common
(B. G. Harris & Co., Inc.) $279,999

Living Aluminum, Inc.---------- Common
(Arnold Malkan & Co., Inc. and Sulco Securities, Inc.) $300,000

Loral Electronics Corp.---------- Debentures
(Kidder, Peabody & Co.; Lehman Brothers and Model, Roland & Stone) $5,000,000

Madigan Electronic Corp.---------- Common
(McLaughlin, Kaufman & Co.) $467,500

Mountain States Telephone & Telegraph Co.--Cap.
(Offering to stockholders—no underwriting) $74,114,275

Pik-Quik, Inc. ---------- Common
(A. C. Allyn & Co., Inc.) 550,000 shares

Radar Measurements Corp.---------- Common
(Blaha & Co., Inc.) $299,950

School Pictures, Inc.---------- Common
(Equitable Securities Corp. and Kroeze, McLarty & Co.) 100,000 shares

Shatterproof Glass Corp.---------- Common
(Dempsey-Tegeler & Co. and Straus, Blosser & McDowell) 100,000 shares

Still-Man Manufacturing Corp.---------- Class A
(Francis I. duPont & Co.) 150,000 shares

Webb (Del E.) Corp.---------- Units
(Lehman Brothers) 160,000

Wood-Mosaic Corp.---------- Common
(Cruttenden, Podesta & Co. and Berwyn T. Moore & Co., Inc.) 30,000 shares

November 29 (Tuesday)

Central Maine Power Co.---------- Bonds
(Bids 11:00 a.m. EST) $6,000,000

Ginn & Co.---------- Common
(White, Weld & Co.) 817,391 shares

November 30 (Wednesday)

Coral Aggregates Corp.---------- Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000

December 1 (Thursday)

Speedry Chemical Products, Inc.------- Debentures
(S. D. Fuller & Co.) $2,000,000

Speedry Chemical Products, Inc.---------- Common
(S. D. Fuller & Co.) 60,000 shares

December 5 (Monday)

Frisch's Restaurants, Inc.---------- Common
(Westheimer & Co.) 180,000 shares

Pall Corp.---------- Class A
(L. F. Rothschild & Co.) 80,000 shares

Penobscot Chemical Fibre Co.---------- Debentures
(Coffin & Burr, Inc.) $3,250,000

Southern Bell Telephone & Telegraph Co.--Debs.
(Bids to be received) $75,000,000

December 6 (Tuesday)

Central Vermont Public Service Corp.--- Preferred
(Hallgarten & Co.) 60,000 shares

Iowa Power & Light Co.---------- Common
(Bids to be received) 100,000 shares

Northern States Power Co. (Minn.)-------- Bonds
(Bids to be invited) $35,000,000

December 7 (Wednesday)

Atlanta Gas Light Co.---------- Bonds
(Bids 11:00 a.m. EST) $9,000,000

Chicago, Rock Island & Pacific RR. Equip. Trust Ctfs.
(Bids 1:00 p.m. EST) $3,450,000

Potomac Electric Power Co.---------- Bonds
(Bids to be received) $40,000,000

December 8 (Thursday)

Brooks (James) & Co. Inc.---------- Units
(Lloyd Haas & Co.) $450,000)

December 12 (Monday)

Consumers Power Co.---------- Bonds
(Bids 11:30 a.m. EST) $35,000,000

December 13 (Tuesday)

Louisville & Nashville RR.------ Equip. Trust Ctfs.
(Bids to be received) $7,700,000

Public Service Electric & Gas Co.------ Preferred
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $25,000,000

December 15 (Thursday)

Stancil-Hoffman Corp.---------- Capital
(Pacific Coast Securities Co.) $300,000

Valdale Co., Inc.---------- Common
(B. N. Rubin & Co. and H. S. Simmons & Co.) $300,000

January 4 (Wednesday)

National Aeronautical Corp.---------- Common
(White, Weld & Co.; Yarnell, Biddle & Co. and Stroud & Co., Inc.) $1,920,000

January 9 (Monday)

Bell Electronic Corp.---------- Common
(Schwabacher & Co.) 136,000 shares

January 11 (Wednesday)

Iowa Power & Light Co.---------- Bonds
(Bids to be received) $10,000,000

January 17 (Tuesday)

Gulf States Utilities Co.---------- Common
(Bids to be received) $11,500,000

January 24 (Tuesday)

Otter Tail Power Co.---------- Bonds
(Bids to be received) $6,000,000 to $8,000,000

March 15 (Wednesday)

Rochester Gas & Electric Corp.---------- Bonds
(Bids to be received) $15,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.---------- Bonds
(Bids to be received) $30,000,000 to $35,000,000

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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.

Alloys Unlimited, Inc.
Oct. 14, 1960 filed 135,000 shares of common stock (par 10¢), of which 75,000 shares are to be offered for the account of the company and 60,000 shares for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company manufactures certain components for such semiconductor devices as silicon and germanium transistors, diodes and rectifiers. **Proceeds**—For general corporate purposes including debt reduction. **Office**—21-01 43rd Ave., Long Island City, N. Y. **Underwriters**—Newburger, Loeb & Co. and C. E. Unterberg, Towbin Co., New York, N. Y. **Offering**—Expected in late November.

● **Amacorp Industrial Leasing Co., Inc. (11/21-25)**
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., Inc., New York City (managing).

American Consolidated Mfg. Co., Inc.
Sept. 27, 1960 (letter of notification) 39,500 shares of common stock (par 33⅓ cents). **Price** — $5 per share. **Proceeds** — For advertising and promotion and accounts receivable. **Office**—835 N. 19th St., Philadelphia, Pa. **Underwriter**—Martin, Monaghan & Mulhern, Inc., Ardmore, Pa.

American Cryogenics, Inc.
Oct. 27, 1960 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries make and sell liquid and gaseous nitrogen and oxygen, dental and medical equipment, and various other gases and cylinders. **Proceeds**—About $1,300,000 for expansion of production facilities including the purchase of equipment, with the balance for working capital. **Office** — New Savannah Road, Augusta, Ga. **Underwriter**—Courts & Co., Atlanta, Ga. (managing). **Offering** — Expected in early December.

American Heritage Life Insurance Co. (11/22)
Oct. 24, 1960 filed 354,240 shares of common stock, to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each eight shares held with rights to expire on Dec. 6 at 3:30 p.m. (EST). **Price** — To be supplied by amendment. **Business** — The company writes ordinary life, group life, and group accident and health insurance in 13 states and the District of Columbia. **Proceeds**—To be used to repay $1,481,006 of short-term indebtedness incurred in acquiring stock of Acme United Life Insurance Co., a new subsidiary of the issuer, with the remainder for general corporate purposes. **Office**—218 West Adams St., Jacksonville, Fla. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City, and Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

American Income Life Insurance Co.
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 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 Recreational Development Corp.
Sept. 7, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds**—For expenses in constructing and operating recreation centers. **Office** — 210 E. Lexington St., Baltimore 2, Md. **Underwriter**—Investment Securities Co. of Maryland, Baltimore, Md.

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.

★ **Amercana Properties, Inc.**
Oct. 27, 1960 filed 100,000 shares of common stock. Price—$6 per share. **Business**—The operation of shopping areas and bowling establishments in Long Island, N. Y. **Proceeds**—For debt reduction and construction of stores and a bowling facility. **Office** — 855 Montauk Highway, Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., New York City. **Offering**—Expected in early December.

Ampal-American Israel Corp.
Oct. 25, 1960 filed $5,000,000 of 7-year series I 6% sinking fund debentures. **Price**—At par. **Proceeds**—For various business enterprises in Israel. **Office**—17 East 71st Street, New York City. **Underwriter**—None.

Andersen Laboratories, Inc. (11/28-12/2)
Sept. 28, 1960 filed 150,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company and 110,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—To reduce indebtedness, buy new tools, and add to working capital. **Office** — Hartford, Conn. **Underwriter** — Putnam & Co., Hartford, Conn. (managing).

Apache Corp.
Oct. 26, 1960 filed $4,000,000 of 6% convertible subordinated debentures, due Dec. 1, 1975. **Price** — At par. **Business**—Management of long-term risk capital investments in gas, oil, and real estate ventures, and also in mutual funds. **Proceeds**—For debt reduction, working capital, and to buy a small oil producing company. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriters**—To be supplied by amendment.

Arizona Valley Development Co., Inc. (11/14)
Oct. 17, 1960 (letter of notification), 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For deed of trust due, engineering, construction, and working capital. **Office** — 1512 W. Indian School Rd., Phoenix, Ariz. **Underwriter** — Henry Fricke Co., New York, N. Y.

● **Atlanta Gas Light Co. (12/7)**
Nov. 1, 1960 filed $9,000,000 of first mortgage bonds, due 1985. **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans incurred for construction, which are expected to aggregate $10,200,000 at the time of the offering. **Office**—Atlanta, Ga. **Underwriter**—To be determined by competitive bidding. Probable bidders: White, Weld & Co. and Kidder, Peabody & Co. (jointly); Shields & Co.; Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; First Boston Corp. **Bids**—Expected to be received on Dec. 7 up to 11:00 a.m. (EST) at 90 Broad St., New York City. **Information Meeting** — Scheduled for Dec. 2 at 11:00 a.m. (EST) 19th floor, 90 Broad St., New York City.

Automatic Canteen Co. of America
Sept. 1, 1960 filed 540,266 shares of common stock being offered to holders of the outstanding common on the basis of one new share for each 10 shares held of record Oct. 28 with rights to expire on Nov. 14 at 3:30 p.m. New York Time. **Price** — $24.75 per share. **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. (11/14-18)
Sept. 9, 1960 filed 423,750 shares of common stock (par $1), of which 100,000 shares will be offered for the

account of the issuing company and 323,750 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).

● Autosonics, Inc. (11/14)
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.
July 12, 1960 filed 250,000 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. **Offering**—Expected sometime in November.

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.

● Baruch (R.) & Co. (11/14-18)
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 75 cents). **Price** — $2 per share. **Business**—The issuer is a broker-dealer with the SEC, and a member of the NASD. **Proceeds**—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—Same.

Bell Electronic Corp. (1/9)
Oct. 12, 1960 filed 136,000 shares of common stock, of which 86,000 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 the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company, which was organized in May 1959, is a distributor of electronic parts and equipment manufactured by others. **Proceeds**—For inventory and to carry accounts receivable. **Office**—306 E. Alondra Blvd., Gardena, Calif. **Underwriter** — Schwabacher & Co., San Francisco, Calif.

★ Beneficial Finance Co.
Nov. 4, 1960 filed $50,000,000 of 20-year debentures. **Price**—To be supplied by amendment. **Business**—A holding company with subsidiaries engaged primarily in the small loan and sales finance business. **Proceeds**—To be added to the general funds for the reduction of short-term bank loans. **Office**—50 Church St., New York City. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Berkshire Frocks, Inc. (11/14-18)
Sept. 28, 1960 filed 120,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—127 Forsyth St., Boston, Mass. **Underwriters**—Blair & Co. and Richter & Co., both of New York City.

Berman Leasing Co. (11/22)
Sept. 27, 1960 filed 430,000 shares of common stock (par $1), of which 200,000 shares are to be offered for the account of the issuing company and 230,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The leasing, reconditioning, and sale of trucks, tractors, trailers, and related equipment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Pennsburg, Pa. **Underwriter** — Eastman Dillon, Union Securities & Co., New York City (managing).

Bonneville Manufacturing Co.
Oct. 24, 1960 (letter of notification) 32,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Proceeds**—For lease of a building and operating capital. **Office**—10915 N. Burgard, Portland, Ore. **Underwriter**—Auld & Co., Portland, Ore.

Bowl-Mor Co., Inc.
Oct. 28, 1960 filed $2,000,000 of 6% convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office** — Newtown Road, Littleton, Mass. **Underwriters**—Paine, Webber, Jackson & Curtis and Granbery, Marache & Co., both of New York City (managing). **Offering**—Expected in early December.

Bowl-Mor Co., Inc.
Oct. 25, 1960 filed 78,955 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**—To be supplied by amendment. **Business**—The company manufactures pin - sitting machines for various types of bowling games. **Proceeds**—For working capital and for costs of the company's entry into the "tenpin" bowling field. **Office** — Newton Road, Littleton, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis, and Granbery, Marache & Co., both of New York City (managing). **Offering**—Expected in early December.

● Bradford Pools, Inc.
Oct. 24, 1960 filed 160,000 shares of class A common stock, with stock purchase warrants attached, to be offered in units consisting of five shares of stock and one warrant. **Price**—$10 per unit. **Business**—The construction, sale, and installation of pools in New Jersey and neighboring states. **Proceeds**—For general corporate purposes, including working capital. **Office** — 245 Nassau St., Princeton, N. J. **Underwriter**—R. A. Holman & Co., Inc., New York City. **Offering**—Expected in late November.

Bridgeport Gas Co.
Sept. 2, 1960 filed 42,561 shares of common stock being offered to the holders of the outstanding common of record Oct. 17 on the basis of one new share for each six shares held with rights to expire on Nov. 15. **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.

Brooks (James) & Co., Inc. (12/8)
Oct. 24, 1960 filed $400,000 of 12% subordinated debentures, due 1980, 50,000 shares of common stock, and warrants for the purchase of 50,000 common shares, to be offered in units consisting of $400 of debentures, 50 common shares, and warrants for the cash purchase of 50 shares. **Price**—$450 per unit. **Business**—The retail sale in two Bronx, N. Y., stores of furniture, appliances, cameras, photo supplies, and related items. **Proceeds**—To reduce accounts payable to factors, with the balance for working capital. **Office**—542 E. 138th Street, New York City. **Underwriter**—Lloyd Haas & Co., New York City.

● Brothers Chemical Co. (11/28-12/2)
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriter**—Sandkuhl and Company, Inc., Newark, N. J. and New York City.

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.

● Bzura Chemical Co., Inc. (11/21-25)
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).

Campbell Chibougamau Mines, Ltd.
Oct. 14, 1960 filed 305,392 shares of common stock to be offered to warrant holders. **Price**—$4 per share. **Business**—The company owns and works mining properties. **Proceeds**—For general funds of the company. **Office**—55 Yonge St., Toronto, Canada. **Underwriter**—None.

● Canaveral International Corp. (11/28-12/2)
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.

● Cannon Electric Co. (11/16)
Sept. 26, 1960 filed 200,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Business**—Designs and makes electrical connectors and related wiring devices. **Proceeds**—To selling stockholders, two members of the Cannon family. **Office**—3208 Humboldt Street, Los Angeles, Calif. **Underwriter** — Kidder, Peabody & Co., New York City (managing).

Caribbean American Corp.
Sept. 14, 1960 filed 459,500 shares of capital stock. **Price**—$2 per share. **Business**—Caribbean real estate. **Proceeds** — For general corporate purposes. **Office** — 615 Robinson Bldg., 15th & Chestnut Sts., Philadelphia, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia, Pa.

Caribbean & Southeastern Development Corp.
Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

Carolina Metal Products Corp. (11/21)
Sept. 28, 1960 filed 100,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds** — Repayment of indebtedness, machinery and equipment, and the balance for working capital. **Office** — 2222 S. Blvd., Charlotte, N. C. **Underwriter**—Arnold, Wilkens & Co., New York City.

● Caruso Foods, Inc. (11/15)
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. (11/14-18)
July 17, 1960 filed 40,000 shares of common stock. **Price**—At-the-market. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None.

Central Maine Power Co. (11/29)
Oct. 19, 1960 filed $6,000,000 of first and general mortgage bonds, series X, due 1990. **Proceeds**—To repay bank loans, for construction, and the balance for general corporate purposes. **Office**—9 Green St., Augusta, Me. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co.; First Boston Corp. and Coffin & Burr (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—Expected to be received on Nov. 29 at 11:00 a.m. **Information Meeting**—Tentatively scheduled for Nov. 21 at 11:00 a.m. in Boston.

Central Maine Power Co. (11/16)
Oct. 19, 1960 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans. **Office**—9 Green St., Augusta, Me. **Underwriters** — Harriman Ripley & Co., Inc., and First Boston Corp., both New York City, and Coffin & Burr, Boston, Mass. (managing).

Central Vermont Public Service Corp. (12/6)
Oct. 7, 1960 filed 60,000 shares of second preferred stock convertible series A (par $50). **Price**—To be supplied by amendment. **Proceeds** — For repayment of outstanding short-term borrowings and for general corporate purposes. **Office**—77 Grove St., Rutland, Vt. **Underwriter**—Hallgarten & Co., New York, N. Y.

Century Acceptance Corp.
Sept. 29, 1960 filed $1,000,000 of 6½% junior subordinated debentures, due 1975, with five-year warrants for the purchase of 80,000 shares of regular common shares. The debentures are to be offered at par, and in units of one $500 debenture with warrants for 40 shares. **Proceeds**—For working capital and general corporate purposes. **Office**—1334 Oak Street, Kansas City, Mo. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing). **Offering**—Expected in late November.

● Champion Spark Plug Co.
Sept. 23, 1960 filed 750,000 shares of outstanding common stock (par $1.66). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders, members of the Stranahan family. **Office** — Toledo, O. **Underwriters**—Blyth & Co., Inc. (handling the books), Glore, Forgan & Co., Hornblower & Weeks, Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

Charter Design & Manufacturing Corp.
Sept. 20, 1960 (letter of notification) 90,000 shares of common stock (par 10 cents). **Price** — $3.30 per share. **Proceeds**—To purchase the assets of Rosander Co., pay obligations owed to banks and for working capital. **Office**—2701 14th Ave., South, Minneapolis, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn.

★ Chematomics, Inc.
Nov. 2, 1960 filed 188,300 shares of common stock, of which 175,000 shares are to be offered for public sale, and the remaining 13,300 shares, being outstanding are to be offered for the account of selling stockholders, subsequent to the sale of the new shares. **Price**—$3 per share. **Business**—The company which was organized in February 1960, is engaged in the development, production and distribution of heat-resistant synthetic resins. **Proceeds** — For new equipment, promotion, inventory, working capital and research and development. **Office**—122 East 42nd Street, New York City. **Underwriter**—East Coast Investors Co., New York City.

Chemonics Corp.
Oct. 17, 1960 (letter of notification), 100,000 shares of common stock (par one cent). **Price** — $3 per share. **Proceeds**—For general funds and working capital. **Office**—1827 N. E. 144th St., North Miami, Fla. **Underwriter**—To be supplied by amendment.

● Chemtronic Corp. (11/21-25)
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.

● Circle Controls Corp.
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y. **Offering**—Expected in late December.

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.

Citizens Telephone Co.
Oct. 11, 1960 (letter of notification) 23,000 shares of common stock (no par) of which 12,000 shares are to be offered for subscription by common stockholders on the basis of one share for each five shares presently held. **Price**—$13 per share. **Proceeds**—For expenses for operating a telephone company. **Office**—220 W. Monroe St., Decatur, Ind. **Underwriter** — City Securities Corp., Indianapolis, Ind.

★ Click Chemical Corp.
Nov. 3, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of household chemicals. **Proceeds**—

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To go to a selling stockholder. **Office**—601 S. Columbus Ave., Mt. Vernon, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York, N. Y.

● Coastal Acceptance Corp.
Oct. 3, 1960 (letter of notification) $100,000 of 10-year 7% registered series notes, to be offered in denominations of $100 to $1,000 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—36 Lowell St., Manchester, N. H. **Underwriter** — Shontell & Varick, Manchester, N. H. **Offering**—Imminent.

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.

Consolidated Edison Co. of New York, Inc. (11/22)
Oct. 20, 1960 filed $75,000,000 of first and refunding mortgage bonds, series S, due Dec. 1, 1990. **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. **Information Meeting**—Scheduled for Nov. 16 at 10:00 a.m. at the company's office, 4 Irving Place, New York City.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Consolidated Southern Companies, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For the closing payment on a building, repayment of an outstanding loan and for working capital. **Office**—Suite 656, 800 Peachtree St., N. E., Atlanta, Ga. **Underwriter**—Atlanta Shares, Inc., same address as the company.

Consumers Cooperative Association
Oct. 25, 1960 filed $8,000,000 of 5½%, 25-year subordinated certificates of indebtedness, 320,000 shares of 5½% preferred stock, 40,000 shares of 4% second preferred stock, and 1,000 shares of common stock. **Prices**—For the certificates of indebtedness, 100% of principal amount, and for the common stock and both classes of the preferred stock, $25 per share. **Business**—The association is a cooperative wholesale purchasing and manufacturing association and functions as a supply source for local farmers' cooperative associations in several mid-Western States. **Proceeds** — For facility expansion and improvement, with $1,739,600 to be used for the retirement of maturing certificates of indebtedness and redemption prior to maturity of such certificates and the 5½% preferred stock. **Office**—3315 N. Oak Trafficway, Kansas City, Mo. **Underwriter**—None.

Consumers Power Co. (12/12)
Oct. 21, 1960 filed first mortgage bonds in the amount of $35,000,000, maturing in 1990 to be sold 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. **Office**—212 West Michigan Ave., Jackson, Mich. **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., at 300 Park Ave., New York City. **Information Meeting**—Scheduled for Dec. 9 at 11:00 a.m., Bankers Trust Co., 16 Wall St., New York City, 12th floor.

Cook Coffee Co. (11/21-25)
Oct. 19, 1960 filed 100,000 shares of outstanding common stock (par $1). **Price** — To be supplied by amendment. **Business** — Wholesale and retail grocery business. **Proceeds**—To three selling stockholders. **Office**—16501 Rockside Road, Maple Heights, Cleveland 37, Ohio. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

● Coral Aggregates Corp. (11/30)
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.

Cormany Corp.
Sept. 21, 1960 (letter of notification) 91,000 shares of common stock to be sold at par ($2.50 per share). **Business**—Makes and leases oil well testing equipment. **Proceeds**—To buy such equipment and to develop new tools. **Office**—2427 Huntington Drive, San Marino, Calif. **Underwriter** — Jacoby, Daigle & Werner, Inc., 541 South Spring St., Los Angeles, Calif. **Offering**—Imminent.

Cove Vitamin & Pharmaceutical Inc.
Sept. 30, 1960 filed 108,000 shares of common stock (par 50 cents), and five-year warrants for the purchase of an additional 54,000 shares of common stock to be offered in units, each unit to consist of two shares and a warrant for the purchase of one share. **Price** — To be supplied by amendment. **Business**—Mail order marketing of vitamins through department stores. **Proceeds** — To implement the company's merchandising plan and for working capital. **Office**—26 The Place, Glen Cove, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York, N. Y. **Offering**—Expected in early December.

● Cryogenics Inc. (11/14-18)
Aug. 16, 1960 filed 175,000 shares of common stock. **Price**—$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.

● Cyclomatics Inc.
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. **Offering**—Imminent.

Daffin Corp.
Aug. 22, 1960, filed 150,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To selling stockholders. **Office**—Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing). **Offering**—Indefinitely postponed.

● Dakota Underwriters, Inc.
Aug. 3, 1960 (letter of notification) 237,035 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**—Paul G. Swessinger, Box 634, Brandon, S. D.

● Dalto Corp. (11/21-25)
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City.

Davega Stores Corp. (11/15)
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).

Deere (John) Credit Co. (11/15)
Sept. 16, 1960 filed $50,000,000 of series A debentures, due 1985. **Price**—To be supplied by amendment. **Business**—The purchase of retail instalment paper from the 14 domestic sales branches operated by Deere & Co. subsidiaries. **Proceeds** — For general corporate purposes. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price**—$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

● Designatronics, Inc.
Sept. 28, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $2.25 per share. **Business**—Manufacturers of electronic equipment. For general corporate purposes. **Office** — 199 Sackett St., Brooklyn, N. Y. **Underwriters** — Cortlandt Investing Corp.; Rothenberg, Heller & Co., Inc. and Joseph Nadler & Co., Inc., New York, N. Y. **Offering**—Expected in late November to early December.

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.

Dial-A-Disk, Inc. (11/28-12/2)
Nov. 2 (letter of notification in Atlanta, Ga. SEC office) 150,000 shares of 5¢ par common stock. **Price** — $2 per share. **Proceeds**—For the merchandising and sale of phonograph records with a new electronic device. **Office**—North Miami, Fla. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City.

Diketan Laboratories, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory, purchase new equipment, for research and new product development and working capital. **Office** — 9201 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif.

Does-More Products Corp. (11/14-18)
Oct. 12, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds** — To pay notes payable, purchase inventory, for purchase of die and equipment and additional working capital. **Office**—201 W. Semmes St., Osceola, Ark. **Underwriter**—H. L. Wright & Co., Inc., New York, N. Y.

● Dorsett Electronics Laboratories, Inc.
Sept. 15, 1960 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of various electronic data handling and control systems. **Proceeds**—For debt reduction, and for working capital for the issuer and its subsidiaries. **Address**—P. O. Box 862, Norman, Okla. **Underwriter**—To be named by amendment. **Note** — This statement was withdrawn.

Drexel Dynamics Corp. (11/15)
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).

Drexel Equity Fund, Inc.
Oct. 25, 1960 filed 500,000 shares of common stock (par 10 cents). **Price**—$10.20 per share. **Business**—This is a new mutual fund, organized as a closed-end fund on Oct. 19, which will become open-end pursuant to the public sale of these shares. **Proceeds**—For portfolio investment. **Office**—1500 Walnut Street, Philadelphia, Pa. **Distributor and Investment Adviser**—Drexel & Co., Philadelphia, Pa. **Offering**—Expected in mid December.

● Dubrow Electronic Industries Inc. (11/14-18)
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.

★ Durlan, Inc.
Oct. 24, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For promotion, advertising, purchase of equipment and working capital. **Address**—Blooming Glen, Pa. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia, Pa.

Edwards Industries, Inc.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price**—$4.50 per share. **Proceeds** — For land, financing of homes, and working capital relating to such activities. **Office**—Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City (managing). **Offering**—Expected in late November to early December.

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-Mechanics Co.
Oct. 4, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Address**—Westlake Hills, Tex. **Underwriter**—James C. Tucker & Co., Inc., Austin, Tex.

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.

Electronic & Missile Facilities Inc. (11/15)
Sept. 23, 1960 filed 260,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business**—Builds and installs facilities for the armed forces and also does work for civilian public works agencies. **Proceeds**—For general corporate purposes including expansion. The additional funds will also enable the firm to furnish bonds necessary to bid on larger Government contracts. **Office**—2 Lafayette St., New York City. **Underwriter**—Hardy & Co., New York City.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriter** — Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Indefinitely postponed.

Elion Instruments, Inc.
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. **Offering**—Expected in late January-to-early February.

● Federal Street Fund, Inc. (11/14-18)
Sept. 26, 1960 filed a minimum of $20,000,000 market value of shares of its $1 par common stock. **Price**—To be

supplied by amendment. **Business**—The company is a newly organized open-end mutual fund. **Proceeds**—For investment. **Office**—140 Federal St., Boston, Mass. **Dealer-Manager** — Goldman, Sachs & Co., New York City (managing).

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

First Connecticut Small Business Investment Co. (11/14-18)
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**—Hill, Darlington & Grimm, of New York City.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

★ **Flame Heat Treating, Inc.**
Oct. 21, 1960 (letter of notification) 25,000 shares of common stock to be offered for subscription by stockholders. They have the right to purchase one-half share for each share held. Rights expire in November, 1960. **Price**—At par ($2 per share). **Proceeds**—To repay an account payable, promissory notes, and to purchase new equipment. **Office**—3625 Hampshire Ave., S. St. Louis Park, Minn. **Underwriter**—None.

Florida Suncoast Land & Mining Co.
Sept. 30, 1960 filed 1,050,000 shares of common stock, of which 330,000 shares are to be offered in exchange for certain lands and assets, and the balance will be for public sale. **Price**—To be supplied by amendment. **Proceeds** — For the acquisition and development of land, mining operations and equipment, and the balance for working capital. **Office**—Tarpon Springs, Fla. **Underwriter**—None.

Ford Electronics Corp.
Oct. 4, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—To pay a loan, pay a balance under creditors agreement and for working capital. **Office**—11747 Vose St., North Hollywood, Calif. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

● **Foremost Industries, Inc. (11/21-25)**
Oct. 14, 1960 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Business**—Manufacturers of stainless steel food service equipment used by department, drug and variety chain stores, and institutions. **Proceeds**—For expansion; to repay a loan; advertising, sales and promotion; for working capital and general corporate purposes. **Office**—250 W. 57th St., New York, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York, N. Y.

Foxboro Co. (11/21-25)
Oct. 18, 1960 filed 211,000 shares of common stock, of which 125,000 shares are to be offered for the account of the issuing company and 86,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including warehouse and plant facilities. **Office**—38 Neponset Ave., Foxboro, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Franklin Discount Co. (11/16)
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.

Frisch's Restaurants, Inc. (12/5-9)
Oct. 18, 1960 filed 180,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Cincinnati, O. **Underwriter**—Westheimer & Co., Cincinnati, O. (managing).

Frouge Corp. (11/14-18)
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 175,000 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).

★ **Gala Industries, Inc.**
Oct. 25, 1960 (letter of notification) 16,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds** — For equipment, advertising and sales, working capital, research and development. **Address** — Clifton Forge, Va. **Underwriter**—Storer Ware & Co., Roanoke, Va.

Gar Wood Ameritronics, Inc.
Oct. 26, 1960 filed 80,000 shares of common stock and 160,000 common stock purchase warrants, to be offered in units consisting of one share of stock and two warrants. **Price** — $4 per unit. **Business** — The firm makes auto and truck bodies, parts, and trailers, and rebuilds and sells vacuum powerbrakes. **Proceeds** — For expansion, inventory, and distribution. **Office**—Kensington & Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

● **Garsite Corp.**
Oct. 12, 1960 filed 100,000 shares of common stock. **Price**—$3 per share. **Business**—A hydrant jet fueling company. **Proceeds**—Expansion. **Office**—Seaford, L. I., N. Y. **Underwriter**—Theodore Arrin & Co., Inc., 82 Beaver St., New York City. **Offering**—Expected in late November to early December.

● **(Connie B.) Gay Broadcasting Corp.**
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 & Grimm, New York City (managing). **Offering**—Indefinitely postponed.

● **General Automation Corp. (11/21-25)**
Sept. 30, 1960 (letter of notification) 100,000 shares of common stock (par two cents). **Price**—$2 per share. **Business**—Manufacture of machinery. **Proceeds**—For general corporate purposes. **Office**—40-66 Lawrence St., Flushing, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

General Development Investment Plans, Inc.
Oct. 6, 1960 filed 1,285 of Investment Plans. **Price**—To be offered for public sale with sales commissions ranging from 8% to 10%, depending upon the type of mortgage financing involved. **Proceeds**—For investment in Port St. Lucie Country Club homes, on the east coast of Florida. **Business**—The company is a wholly-owned subsidiary of General Development Corp., whose principal business is the development of large tracts of land into planned communities. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—None.

General Sales Corp.
April 28 filed 120,000 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**—A. J. Gabriel & Co., Inc., New York City. **Offering**—Expected sometime in November.

● **Geophysics Corp. of America (11/21-25)**
Sept. 28, 1960 filed 50,000 shares of common stock of which 18,750 shares are to be offered for the account of the issuing company and the remaining 31,250 for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Bedford, Mass. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

Ginn & Co. (11/29)
Oct. 10, 1960 filed 817,391 shares of common stock (par $1), of which 173,300 shares will be offered for the account of the issuer, and 644,091 shares will be offered for the account of selling stockholders. **Price** — To be supplied by amendment. **Business**—Publication and distribution of text books and related educational materials for schools. **Proceeds**—To reimburse the company's treasury for redemption costs of its preferred stock, and the balance for working capital. **Office**—Statler Office Bldg., Boston, Mass. **Underwriter** — White, Weld & Co., New York City.

● **Glas Foam Corp. (11/21-25)**
Sept. 28, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For boat molds, to pay off a mortgage and for working capital. **Address**—Hialeah, Fla. **Underwriter**—Martinelli & Co., Inc., New York, N. Y.

Globe Security Systems, Inc. (11/21-25)
Oct. 13, 1960 filed 100,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—Supplying plant security and uniformed guard and investigatory services to industrial and commercial customers. **Proceeds**—For debt reduction, working capital, expansion, and possibly acquisitions. **Office**—2011 Walnut St., Philadelphia, Pa. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

Gold Medal Packing Corp.
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

★ **Gold Shield Mining Co.**
Oct. 27, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office**—2308 16th St., Sacramento, Calif. **Underwriter**—None.

Golden Crest Records, Inc.
Oct. 25, 1960 filed 85,000 shares of 10c par class A common stock. **Price**—$3 per share. **Proceeds**—The firm will use the proceeds of its first public offering for working capital and general corporate purposes. **Office**—Huntington, L. I., N. Y. **Underwriter**—Dean Samitas & Co., Inc., 11 Broadway, New York City. **Offering**—Expected in January.

Goodrich (B. F.) Co. (11/16)
Oct. 19, 1960 filed $60,000,000 of sinking fund debentures due Nov. 15, 1985. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures and investment outlays and working capital. **Address**—230 Park Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York, N. Y. (managing).

● **Gremar Manufacturing Co., Inc. (11/21-25)**
Sept. 20, 1960 filed 100,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—Manufactures coaxial cable connectors and associated fittings for the electronic and electrical industries. **Proceeds** — For general corporate purposes, including debt reduction, inventory and construction. **Office**—7 North Ave., Wakefield, Mass. **Underwriters**—Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc., New York, N. Y.

Gro-Rite Shoe Co., Inc.
Oct. 12, 1960 (letter of notification) an undetermined number of shares of common stock (par $1). **Price**—The offering will not exceed $300,000. **Proceeds**—For working capital. **Address**—Route 2, Box 129, Mount Gilead, N. C. **Underwriter**—American Securities Co., Charlotte, N. C.

Guild Musical Instrument Corp.
Oct. 25, 1960 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

★ **Harris-Teeter Super Markets, Inc. (11/14-18)**
Oct. 28, 1960 (letter of notification) 23,076 shares of common stock (par $5). **Price**—$13 per share. **Proceeds**—To purchase equipment and open a new supermarket and for working capital. **Office** — 2201 Hawkins St., Charlotte, N. C. **Underwriter** — R. S. Dickson & Co., Charlotte, N. C.

● **Heldor Electronics Manufacturing Corp. (11/11-18)**
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.

Heller, (Walter E.) & Co.
Oct. 24, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—About $1,000,000 to purchase preferred stock of Nationwide Investment Co., about $1,000,000 to purchase securities of an as yet unorganized firm tentatively named "Credit Acceptance Co.," and the remainder for general corporate purposes. **Office**—105 West Adams St., Chicago, Ill. **Underwriters** — F. Eberstadt & Co. and Dean Witter & Co., both of New York City (managing). **Offering**—Expected in late December to early January.

● **High Point Ski Ways, Inc. (11/21-25)**
Oct. 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Operation of a ski area, ice-skating rink, open air theatre, skeet and other shooting ranges. **Proceeds**—For general corporate purposes. **Address**—Port Jervis, N. Y. **Underwriter**—Osborne, Clark & Van Buren, Inc., New York, N. Y.

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.

Howell Instruments Inc.
Oct. 4, 1960 filed 140,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Address** — Fort Worth, Texas. **Underwriters**—G. H. Walker & Co., New York, N. Y. and Dewar, Robertson & Pancoast, San Antonio, Tex. **Offering**—Expected in early December.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

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**— Pur-

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vis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

● Idaho Power Co. (11/15)
Sept. 21, 1960 filed $15,000,000 of first mortgage bonds due 1990. **Proceeds**—For capital expenditures, etc. **Underwriter**—(For the bonds) 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 at the Bankers Trust Co., 2nd floor, 16 Wall St., New York City, up to 11:00 a.m. (EST). **Information Meeting** — Scheduled for Nov. 10 at 11:00 a.m. at the Bankers Trust Co., 16 Wall St., New York City.

● 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 in early 1961.

● Indian Head Mills, Inc. (11/14-18)
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).

● Industrial Control Products, Inc.
Nov. 1, 1960 filed 125,000 shares of 10¢ par class A stock. **Price**—$4 per share. **Business**—The design and manufacture of control systems and subcontracted precision machining. The firm has recently begun to make double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. **Proceeds**—For expenses of semi-conductor production, research and development, advertising and selling, inventory, and general funds. **Office**—78 Clinton Road, Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., 99 Wall Street, New York 5, N. Y. (managing). **Offering**—Expected in mid-January.

● Industrial Hose & Rubber Co., Inc. (11/21-25)
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. (11/14-18)
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 Mosaic Corp. (11/28-12/2)
Sept. 30, 1960 (letter of notification) 93,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

Investors Preferred Life Insurance Co.
Sept. 26, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For capital and surplus accounts. **Office**—522 Cross St., Little Rock, Ark. **Underwriter** — Life Securities, Inc., P. O. Box 3662, Little Rock, Ark.

★ Iowa Power & Light Co. (12/6)
Nov. 7, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To reduce past and future bank loans incurred for construction, the aggregate cost of which is estimated at $20,500,000 for 1960-1961. **Office** — 823 Walnut Street, Des Moines, Iowa. **Underwriter**—To be determined by competitive bidding. Probable bidders: Smith, Barney & Co.; Stone & Webster Securities Corp. and First Boston Corp. **Bids**—To be received in Chicago on Dec. 6.

★ Iowa Power & Light Co. (1/11)
Nov. 7, 1960 filed $10,000,000 of first mortgage bonds, due 1991. **Price**—To be supplied by amendment. **Proceeds**—To reduce past and future bank loans incurred for construction, the aggregate cost of which is estimated at $20,500,000 for 1960-1961. **Office**—823 Walnut Street, Des Moines, Iowa. **Underwriter**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Equitable Securities Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc., Lehman Brothers; Eastman Dillon, Union Securities & Co.; Blyth & Co. and Kidder, Peabody & Co. **Bids**—Expected to be received on Jan 11.

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.

Jonker Business Machines, Inc.
Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter** — Hodgdon & Co., Inc., Washington, D. C.

★ Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y. **Offering**—Expected sometime in Janaury.

Kanavau Corp.
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y.

● Keyes Fibre Co. (11/16)
Oct. 4, 1960 filed $10,000,000 of convertible subordinated debentures, due 1985, with attached warrants for the purchase of 500,000 shares of common stock, to be offered to holders of outstanding preferred and common stock, on the basis of $100 of debentures for each 15 shares of common or preferred held. **Price**—To be supplied by amendment. **Proceeds**—Construction of a new plant, additional equipment, and the balance for working capital. **Office**—Upper College Avenue, Waterville, Maine. **Underwriter**—Coffin & Burr, Inc., Boston, Mass.

Keystone Alloys Co.
Oct. 28, 1960 filed 107,755 shares of common stock, of which 32,755 shares are to be offered for the account of the issuing company and 75,000 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 aluminum siding and accessories, coated materials, aluminum railing and columns for interior and exterior use, and a variety of aluminum combination storm-screen sash and doors and related products. **Proceeds**—$150,000 will be used to finance the construction and installation of an additional paint line, with the balance for working capital. **Office**—511 Mellon Bank Bldg., Latrobe, Pa. **Underwriter** — Singer, Deane & Scribner, Pittsburgh, Pa. (managing).

● Kings Electronics Co., Inc.
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. Note—This statement has been withdrawn.

● Kirk (C. F.) Laboratories, Inc. (11/11)
Sept. 28, 1960 (letter of notification) 99,900 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds** — For general corporate purposes. **Office**—521 West 23rd St., New York, N. Y. **Underwriter**—Schriiver & Co., New York, N. Y.

● Koeller Air Products, Inc. (11/11)
Aug. 31, 1960 filed 100,000 shares of common stock (par 5 cents) and 500,000 warrants to be offered in units, each unit to consist of 2 shares of common stock and 1 warrant. Each full warrant is convertible into one share of common within a year from the date of offering at $2 per share. **Price**—$4 per unit. **Business**—The firm distributes hydrogen, nitrogen, oxygen, and welding equipment. **Proceeds** — For general corporate purposes. **Office**—596 Lexington Ave., Clifton, N. J. **Underwriter**—Lloyd Securities, 150 Broadway, New York City.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds**—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter**—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

★ Lake Central Airlines, Inc.
Nov. 9, 1960 filed 130,000 shares of $20 par preferred stock. **Price**—To be supplied by amendment. **Business**—The issuer is a local service airline operating primarily in the midwest. **Proceeds**—Together with a $3,000,000 bank loan, the proceeds will be used to acquire more planes and for other purposes germane to expansion. **Office**—Indianapolis, Ind. **Underwriter**—William Blair & Co., Chicago, Ill. (managing).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

● Lawndale Industries, Inc.
Aug. 15, 1960 filed 100,000 shares of class A stock. **Price**—$5 per share. **Business**—The manufacture of porcelain enameled steel plumbing fixtures. **Proceeds** — For the construction and equipping of a new plant, and the reduction of outstanding bank loans. **Office** — Haven & Russell Aves., Aurora, Ill. **Underwriter**—Paul C. Kimball & Co. of Chicago, Ill. **Offering**—Imminent.

● Lawter Chemicals, Inc. (11/14)
Sept. 19, 1960 filed 70,000 shares of capital stock of which 20,000 shares are first to be offered to certain personnel of the company and certain friends of its management. **Price** — To be supplied by amendment. **Business**—Manufacture and sale of printing ink vehicles, fluorescent pigments and coatings, and synthetic resins. **Proceeds**—For general corporate purposes. **Office**—3550 Touhy Ave., Chicago, Ill. **Underwriter** — Blunt Ellis & Simmons, 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.

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

Lifetime Pools Equipment Corp.
July 1, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa. **Offering**—Expected in late November.

Living Aluminum, Inc. (11/28-12/2)
Oct. 3, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Manufacturers of aluminum furniture and other household products. **Proceeds**—For additional equipment; purchase of a building; plant expansion and working capital. **Office**—40 Gazza Blvd., Farmingdale, N. Y. **Underwriters**—Arnold Malkan & Co., Inc. and Sulco Securities, Inc., New York, N. Y.

★ Long Island Plastics Corp. (11/21-25)
Oct. 26 (letter of notification) 300,000 shares of common stock (10c par). **Price**—$1 per share. **Business**—Conversion of waste or scrap nylon into pellets for use in gears and other products, and the treatment of reclaimed nylon so as to permit its mixture and blending with various plastics. **Proceeds** — For additional equipment, inventory, and working capital. **Office** — Farmingdale, L. I., N. Y. **Underwriter**—The James Co., 369 Lexington Ave., New York City.

● Loral Electronics Corp. (11/28-12/2)
Oct. 27, 1960 filed $5,000,000 of convertible subordinated debentures, due Dec. 1, 1980. **Price**—To be supplied by amendment. **Proceeds**—For plant additions, acquisitions, and working capital. **Office**—825 Bronx River Ave., New York City. **Underwriters**—Kidder, Peabody & Co., Lehman Brothers, and Model, Roland & Stone, all of New York City (managing).

Mac Charge Plan & Northern Acceptance Corp.
Sept. 21, 1960 (letter of notification) 60,000 shares of common stock class A (par 60 cents).**Price**—$5 per share. **Proceeds**—For company expansion. **Office**—5 E. Centre St., Baltimore, Md. **Underwriters**—Sade & Co., Bellamah, Neuhauser & Barrett, Washington, D. C., McCarley & Co., Asheville, N. C. and Murphy & Co., Denver, Colo.

Madigan Electronic Corp. (11/28-12/2)
Oct. 5, 1960 filed 110,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Business**—The design, manufacture and sale of electronic equipment for use primarily in weapons and data processing systems. **Proceeds**—Reduction of indebtedness and working capital. **Office**—200 Stonehinge Lane, Carle Place, N. Y. **Underwriter**—McLaughlin, Kaufman & Co., New York City.

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per

share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

Marine View Electronics, Inc.
Oct. 28, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office**—88-06 Van Wyck Expressway, Jamaica 18, N. Y. **Underwriter** —Fund Planning, Inc., New York, N. Y.

★ Marsh Supermarkets, Inc.
Nov. 4, 1960 filed $2,000,000 of convertible subordinated debentures, due Dec. 15, 1980. **Price**—To be supplied by amendment. **Business** — The corporation, directly and through two subsidiaries, operates a chain of 67 supermarkets, a bakery and ice cream plant, and processes and packages delicatessen items. **Proceeds**—For general corporate purposes, including the redemption of preferred stock and expenses incidental to the opening of new outlets. **Address**—Yorktown, Ind. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing). **Offering**—Expected in mid-December.

● Mary Carter Paint Co. (11/16-17)
Sept. 23, 1960 filed 375,000 shares of class A common stock (par $1), of which 75,000 shares are to be offered for the account of the issuing company, and 300,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The firm makes various paint products for retail distribution. **Proceeds**—For debt reduction, expansion, and working capital. **Office**—666 Fifth Ave., New York City. **Underwriter** —Lee Higginson Corp., New York City (managing).

Matheson Co., Inc. (11/16)
Sept. 27, 1960 filed 160,000 shares of common stock ($1 par), of which 40,000 shares are to be offered for the account of the issuing company and 120,000 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 sells chemical gases, chemicals, regulators and valves. **Proceeds** — To redeem all the outstanding shares of 6% cum. preferred stock at $21 per share, with the remainder to be added to the issuer's general funds. **Office**—932 Paterson Plank Road, East Rutherford, N. J. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

Merrimack-Essex Electric Co. (11/16)
Sept. 20, 1960 filed 75,000 shares of cumulative preferred stock (par $100). **Proceeds**—For reduction of short-term indebtedness. **Business**—The issuer is a subsidiary of the New England Electric System and conducts its business of generating, buying, and selling electricity in northeastern Massachusetts. It sells appliances related to its business. **Office**—205 Washington St., Salem, Mass. **Underwriter** — To be determined by competitive bidding Probable bidders: Kidder, Peabody & Co. and White. Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman Dillon, Union Securities & Co (jointly); First Boston Corp. **Bids**—Expected to be received on Nov. 16. **Information Meeting**—Scheduled for Nov. 4.

● Metcom, Inc. (11/14-18)
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.

Metropolitan Telecommunications Corp. (11/21-25)
Sept. 27, 1960 filed $600,000 of convertible subordinated debentures, to be offered for the account of the issuing company, and 25,000 shares of outstanding common stock, to be offered for the account of four company officers, the selling stockholders. **Prices**—For the debentures, at par; for the common, to be supplied by amendment. **Business**—The company makes and sells electronic and communications equipment. **Proceeds**—For general corporate purposes including debt reduction, working capital, and expansion. **Office** — Ames Court, Plainview, N. Y. **Underwriters**—M. L. Lee & Co., Inc and Milton D. Blauner & Co., Inc., both of New York City (managing).

★ Microwave Corp. of America
Nov. 1, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — To purchase equipment, small tools, selling and promotion purposes, inventory and working capital. **Office**—200 Henry St., Stamford, Conn. **Underwriter**—None.

Mid-America Life Insurance Co.
Oct. 11, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price** — $2.75 per share. **Proceeds**—For capital and surplus accounts. **Office**—318 Northwest 13th St., Oklahoma City, Okla. **Underwriter**—F. R. Burns & Co., Oklahoma City, Okla.

Midland-Guardian Co.
Oct. 27, 1960 filed 100,000 shares of common stock. **Price** —To be supplied by amendment. **Business** — The firm discounts retail instalment sales notes for dealers in shell homes, mobile homes, and cars; finances at wholesale inventories of dealers in mobile homes and cars; makes small loans directly to borrowers; and operates various insurance subsidiaries, including a life insurance company. **Proceeds**—To repay short-term bank loans, which on Sept. 30 amounted to $31,529,000. **Office**—1100 First National Bank Bldg., Cincinnati, O. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in December.

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. **Offering** —Imminent.

Mobile Credit Corp.
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

Model Engineering & Manufacturing Corp. (11/21-25)
Sept. 21, 1960 filed 140,000 shares of common capital stock. **Price**—To be supplied by amendment. **Business**—The company makes and sells equipment for the electrical, automotive, and aviation industries. **Proceeds**—To reduce indebtedness and for working capital. **Office**—50 Frederick St., Huntington, Ind. **Underwriter**—Raffensperger, Hughes & Co., Indianapolis, Ind. (managing).

● Model Finance Service, Inc. (11/21-25)
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. (11/21-25)
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.

Monarch Electronics International, Inc.
Oct. 31, 1960 filed 200,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif. **Offering**—Expected sometime in January.

Mortgage Guaranty Insurance Corp.
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter** —Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State. **Offering**—Expected in late November.

● Mountain States Telephone & Telegraph Co. (11/28)
Oct. 28, 1960 filed 6,729,142 shares of capital stock to be offered to stockholders of record Nov. 28 on the basis of one new share for each five shares then held. Rights expire Dec. 20. **Price**—$12.50 per share. **Proceeds**—To repay short-term loans made to finance construction. **Office**—931 14th St., Denver, Colo. **Underwriter**—None.

★ National Aeronautical Corp. (1/4)
Nov. 8, 1960 filed 60,000 shares of $1 par common stock. **Price**—$32 per share. **Proceeds**—For general corporate purposes. **Office**—Ft. Washington, Pa. **Underwriters**—White, Weld & Co., New York City, Yarnall, Biddle & Co. and Stroud & Co., Inc., both of Philadelphia (jointly).

National Airlines, Inc. (11/15)
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing).

● National Film Studios, Inc. (11/14-18)
Sept. 20, 1960 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For expansion of the business. **Office**—Washington, D. C. **Underwriter**—R. Baruch & Co., 1518 K St., N. W., Washington, D. C.

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. **Offering** — Expected sometime in December.

Nationwide Tabulating Corp. (11/14-18)
Sept. 19, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Tabulating of industry and government records. **Proceeds**—For general corporate purposes including working capital. **Office**—384 Clinton St., Hempstead, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York, N. Y.

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 November.

New Jersey Bell Telephone Co. (11/14)
Oct. 21, 1960 filed $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. 14 in room 2315, 195 Broadway, New York City, up to 11:30 a.m. EST.

New Western Underwriting Corp.
Oct. 25, 1960 filed $2,000,000 of 15-year 6% subordinated convertible debentures. **Business** — The company which was organized in August, 1959, is developing, through subsidiaries, a dealer-recourse finance business and a life insurance business. **Proceeds**—For expansion. **Price** —At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North Billings, Mont.

★ Newton Shopping Center, Inc.
Oct. 21, 1960 (letter of notification) $300,000 of 6% sinking fund debentures to be offered in denominations of $1,000 each. **Price**—At face value. **Proceeds**—For working capital and construction of a shopping center. **Office** —200 Hillcrest Bldg., Ralston, Neb. **Underwriter**—The First Trust Co. of Lincoln, Lincoln, Neb.

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 Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Northern Natural Gas Co. (11/15)
Oct. 21, 1960 filed $20,000,000 of sinking fund debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For construction, the reduction of indebtedness incurred for construction, and the purchase of securities of subsidiaries for their property additions and acquisitions. **Office** — 2223 Dodge St., Omaha, Neb. **Underwriter**—Blyth & Co., Inc., N. Y. City (managing).

Northern States Power Co. (Minn.) (12/6)
Oct. 27, 1960 filed $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 Dec. 6 up to 10:00 a.m. (CST) at Room 1100, 231 So. La Salle St., Chicago 4, Ill.

● 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. **Note**—This letter was withdrawn on Oct. 3.

Nu-Line Industries, Inc.
Sept. 28, 1960 filed 200,000 shares of common stock, of which 175,000 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 issuer's president. **Price**—To be supplied by amendment. **Proceeds**—For capital equipment, research, sales development, and working capital. **Office**—Minneapolis, Minn. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

● Paddington Corp.
Sept. 28, 1960 filed 36,498 shares of outstanding common stock. **Price**—To be related to the price of the stock on the American Stock Exchange at the time of the public offering. **Proceeds**—To selling stockholders. **Office**—630 Fifth Ave., New York City. **Underwriters**—Lee Higginson Corp. and H. Hentz & Co., both of New York City managing). **Offering**—Expected in late November.

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Pall Corp. (12/5-9)
Oct. 27, 1960 filed 80,000 shares of class A stock (par $1), of which 30,000 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 the present holders thereof. **Price**—To be supplied by amendment. **Business** — The firm produces metal and plastic filters for defense and consumer industries. **Proceeds**—For expansion, working caiptal, and to finance the company's entry into fibre glass manufacture. **Office** —30 Sea Cliff Ave., Glen Cove, L. I., N. Y. **Underwriter** —L. F. Rothschild & Co., New York City (managing).

● **Palm Developers Limited**
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. **Offering**—Expected in late November.

★ **Palomino Development Corp.**
Oct. 28, 1960 (letter of notification) 200,000 shares of common stock (par 50 cents). **Price**—$1.50 per share. **Proceeds**—For accounts payable, purchase of a contract, advertising and promotion. **Office** — 5231 Minnehaha Ave., Minneapolis, Minn. **Underwriter**—None.

● **Park Electrochemical Corp. (11/14-16)**
Sept. 22, 1960 filed 175,000 shares of 10 cent par class A stock. **Price**—$4 per share. **Business**—The firm designs and makes anodyzed aluminum specialty components for cars, planes, appliances, and other objects needing naming devices. **Proceeds**—For working capital, debt reduction, and research and development. **Office**—Flushing, L. I., N. Y. **Underwriters** — Stanley Heller & Co., and Michael G. Kletz & Co., Inc., both of New York City, with the latter handling the books.

● **Pathe Equipment Co., Inc.**
Oct. 17, 1960 filed 125,000 shares of class A stock (par 75 cents), of which 42,500 shares are to be offered for the account of the company and 72,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The remaining 10,000 shares have been acquired by the underwriter and Hampstead Investing Corp., as a finder's fee. **Price**—$5 per share. **Business**—Developing and producing automatic multiple needle and specialized sewing equipment. **Proceeds**—For general corporate purposes. **Office** — 16 Leliart's Land, East Paterson, N. J. **Underwriters** — Amos Treat & Co., Inc. and William Stix Wasserman & Co., Inc., New York, N. Y. **Offering**—Expected in early December.

● **Patrician Paper Co., Inc. (11/14-18)**
Oct. 14, 1960 filed $750,000 of 7% unsecured subordinated notes due 1964 and 100,000 shares of common stock to be offered in units of $7.50 of notes and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company manufactures facial and toilet tissues. **Proceeds**—For acquisition of property, to acquire machinery and equipment, and for repayment of certain loans. **Office** — 485 Lexington Ave., New York, N. Y. **Underwriter** — Hill, Darlington & Grimm, New York, N. Y.

★ **Patrick Dry Goods Co.**
Oct. 27, 1960 (letter of notification) 202 shares of common stock to be offered for subscription by stockholders pursuant to stock option rights. **Price**—At par ($200 per share). **Proceeds**—For working capital. **Office** —163 W. Second South St., Salt Lake City, Utah. **Underwriter**—None.

● **Penobscot Chemical Fibre Co. (12/5)**
Oct. 24, 1960 filed $3,250,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Business**—Makes wood pulp, which it sells directly to the users, nearly all of whom are paper manufacturers. **Proceeds**—For construction, and for the reduction of indebtedness incurred for construction. **Office**—211 Congress St., Boston, Mass. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. (managing).

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa. **Offering**—Expected in early December.

Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock being offered for subscription by stockholders of record Aug. 25, at the rate of one new share for each 5½ shares held with rights to expire at 3:30 p.m. on Dec. 14. **Price**—U. S. price is 1.3 cents per share; Philippine price is 3 centavos per share. **Proceeds** — To be added to the company's working capital. **Office**—Soriano Bldg., Manila, Philippines. **Underwriter**—None. **Note**—The subscription offer has been extended.

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. (11/28-12/2)
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 Electronics Corp.
Oct. 26, 1960 filed 217,902 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each share held. **Price**—$1 per share. **Proceeds** — To retire current liabilities, for capital expenditures, and for working capital. **Office**—2235 S. Carmelina Ave., Los Angeles, Calif. **Underwriter** —None.

Plastics & Fibers, Inc.
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y. **Note**—The underwriter states that this offering will be delayed.

Polymer Corp. (11/15)
Sept. 16, 1960 filed $2,750,000 of convertible subordinated sinking fund debentures, due 1975, and 20,000 shares of class A non-voting common stock. **Prices**—To be supplied by amendment. **Business** — The company makes nylon rod, plate, strip, and tubing, Teflon, and plastic powders for coating metals. **Proceeds**—From the common stock, to the present holder thereof; from the debentures, for general corporate purposes, including debt reduction and working capital. **Office** — Reading, Pa. **Underwriters**—White, Weld & Co., New York City, and A. G. Edwards & Sons, St. Louis, Mo. (managing).

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.

● **Preferred Risk Life Assurance Co. (11/21-25)**
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.

★ **Prep Products, Inc.**
Oct. 21, 1960 (letter of notification) 1,400 shares of common stock. **Price**—At par ($100 per share). **Proceeds** —For working capital. **Address** — Highway 20, Thermopolis, Wyo. **Underwriter**—None.

Process Lithographers, Inc.
Sept. 28, 1960 filed 145,000 shares of common stock (par 10 cents), of which 125,000 shares are for public offering, and 20,000 shares are to be offered for the account of Solomon Roskin, President. **Price** — $5 per share. **Proceeds** — Toward the repayment of indebtedness, new equipment, and working capital. **Office**—200 Varick St., New York City. **Underwriter**—First Broad St. Corp., New York City (managing).

Public Service Co. of New Hampshire (11/17)
Oct. 7, 1960 filed $5,000,000 of first mortgage bonds, series L, due 1990. **Proceeds** — For repayment of loans, construction, and general corporate purposes. **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. 17 in room 170, Parker House, Tremont & School Sts., Boston, Mass., up to 11:00 a.m. EST. **Information Meeting** — Scheduled for Nov. 14 at 3:30 p.m. EST in room 118, Parker House, Boston, Mass.

Puritron Corp.
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter** — Bache & Co., New York City (managing). **Offering**—Indefinite.

● **R. C. Can Co. (11/15)**
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).

R. E. D. M. Corp.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price** $3.50 per share. **Proceeds**—For working capital ($217,-250) and production machinery and equipment ($50,000). **Office**—Little Falls, N. J. **Underwriter**—Robert Edelstein & Co., Inc., New York City. **Offering**—Expected sometime in January.

Radar Measurements Corp. (11/28-12/2)
Sept. 28, 1960 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business** —Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office** — 190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y.

Real Estate Mutual Fund
Oct. 14, 1960 filed 200,000 shares of beneficial interest. **Price**—$5 per share. **Business**—An open-end real estate investment trust specializing in investment real estate. **Office** — 606 Bank of America Bldg., San Diego, Calif. **Distributor**—Real Estate Mutual Distributors, Inc., San Diego, Calif.

● **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 in December.

Revlon, Inc.
Oct. 28, 1960 filed 130,000 shares of outstanding common stock (par $1). **Price**—To be related to the price of the firm's shares on the New York Stock Exchange. **Proceeds** To two company officers, the selling stockholders. **Office** —666 Fifth Ave., New York City. **Underwriters**—Lehman Brothers and Reynolds & Co. Inc., both of New York City (managing). **Offering**—Expected in early December.

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.

● **Robosonics, Inc. (11/14-18)**
Sept. 14, 1960 filed 180,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Business**—The company makes and sells an automatic telephone answering device, and an automatic intelligence reproduction machine. **Proceeds**—For general corporate purposes. **Office** —22 W. 48th St., New York City. **Underwriter**—Mandell & Kahn, Inc., New York City.

★ **Roto-Pack Corp.**
Nov. 1, 1960 (letter of notification) 40,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For advertising and promotion of new products and for working capital. **Office**—1624 Eye St., N. W., Washington, D. C. **Underwriter**—None.

● **Rotron Manufacturing Co., Inc. (11/16-18)**
Sept. 21, 1960 filed 130,000 shares of common stock (par 5 cents), of which 65,000 shares are to be offered for the account of the issuing company and 65,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—Makes air and gas moving devices for military and industrial use. **Proceeds**—For inventory, expansion, and debt reduction. **Office**—7-9 Hasbrouck Lane, Woodstock, N. Y. **Underwriter**—W. E. Hutton & Co., New York City (managing).

Russ Togs, Inc.
Oct. 27, 1960 filed 150,000 shares of $1 par class A stock of which 100,000 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 the present holders thereof. **Price**—To be supplied by amendment. **Business**—The firm produces a diversified line of popular priced sports wear. **Proceeds** —For machinery and equipment, leasehold improvements, to finance additional accounts receivable and inventories, and for working capital. **Office**—1372 Broadway, New York City. **Underwriter**—Shearson, Hammill & Co., New York City (managing). **Offering**—Expected in late December.

Sampson-Miller Associated Companies, Inc. (11/14-18)
Sept. 28, 1960 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—To retire indebtedness, develop acreage, and to finance the increased use of instalment sales contracts, with the balance to finance the purchase of additional property. **Office**—Pitcairn, Pa. **Underwriter** — Moore, Leonard & Lynch, Pittsburgh, Pa. (managing).

★ **Santa Maria Mining Co.**
Nov. 2, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds** —For mining expenses. **Address**—Hardin Flat, Groveland, Calif. **Underwriter**—None.

Save-Co Veterans & Services & Department Stores, Inc.
Sept. 26, 1960 filed 163,636 shares of common stock, of which 127,273 shares are to be offered for the account of the issuing company and 36,363 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 operates a department store and gasoline service station the use of which is restricted primarily to veterans, military personnel, employees of non-profit organizations, and employees of firms doing government contract work. **Proceeds**—For general corporate purposes, including debt reduction and working capital. **Office**—3176 Frontier St., San Diego, Calif. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo. (managing). **Offering**—Expected in November.

School Pictures, Inc. (11/28-12/2)
Sept. 28, 1960 filed 100,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 1610 North Mill St., Jackson, Miss. **Underwriters**—Equitable Securities Corp. of New York City, and Kroeze, McLarty & Co., of Jackson, Miss.

★ **Seaboard Homes, Inc.**
Nov. 7, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Busi-**

ness — Manufacture, assembly and sale of homes and home sectional components. **Proceeds**—For general corporate purposes. **Office**—200 Saw Mill River Rd., Hawthorne, N. Y. **Underwriters**—Richard Bruce & Co., Inc. and Fox & Walters, Inc., New York, N. Y.

Seaboard & Western Airlines, Inc.
Sept. 28, 1960 filed 704,160 shares of common stock being offered for subscription by holders of its common stock of record Oct. 31 on theb asis of two new shares for each share held with rights to expire on Nov. 21. **Price**—$3 per share. **Proceeds**—Payments to creditors, purchase of new aircraft and engines, payment of notes, and the balance for working capital. **Office**—New York International Airport, Jamaica, L. I., N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York City.

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.

Self Service Drug Corp.
Sept. 26, 1960 (letter of notification) $150,000 of 10-year 6% convertible debentures and 75,000 shares of common stock (no par) to be offered in units of $100 of debentures and 50 shares of common stock. **Price** — $200 per unit. **Proceeds** — To move and equip a new warehouse; pay off certain bank indebtedness and for new lines. **Office**—2826 Mt. Carmel Ave., N. Hills, Glenside, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa. **Offering**—Expected in early December.

● **Sexton (John) & Co. (11/15)**
Sept. 26, 1960 filed 200,000 shares of common stock (no par), of which 33,000 shares are to be offered for the account of the issuing company and 167,000 shares, representing outstanding stock, are to be sold for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—Food distribution, chiefly to institutions. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing).

Shatterproof Glass Corp. (11/28)
Oct. 12, 1960 filed 100,000 shares of common stock (par $1), of which 50,000 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 the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company makes and sells laminated safety plate and sheet glass, primarily to the automotive replacement market, and sells its products for use as original equipment to bus, truck, television, and farm and road equipment manufacturers. **Proceeds**—To repay current short-term bank loans incurred to supplement working capital. **Office** — 4815 Cabot St., Detroit, Mich. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Straus, Blosser & McDowell, Chicago, Ill. (managing).

● **Simplex Wire & Cable Co. (11/21-25)**
Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Slick Airways, Inc.
Oct. 27, 1960 filed 600,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company was engaged exclusively as a contract and charter carrier until July 1, 1960 when it diversified by acquiring Illinois Shade Cloth Corp. **Proceeds**—For general corporate purposes. **Office**—3000 No. Clybourn Ave., Burbank, Calif. **Underwriters** — Auchincloss, Parker & Redpath and Allen & Co., both of New York City (managing).

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. **Offering**—Expected sometime in December.

South Central Natural Gas Corp.
Oct. 13, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company, which was organized in June 1960, is in the business of producing natural gas and oil. **Proceeds** — For working capital, with the balance for rental payments, loan repayments, drilling, and related expenditures. **Office**—1300 Oil & Gas Bldg., New Orleans, La. **Underwriter**—Willis E. Burnside & Co., Inc., New York City. **Offering**—Expected in late November.

★ **Southwest Gas Corp.**
Nov. 7, 1960 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The sale and distribution of natural gas for domestic, commercial, agricultural, and industrial uses in parts of California, Nevada, and Arizona. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office**—2011 Las Vegas Blvd. South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Southwestern Capital Corp.
Sept. 30, 1960 filed 1,000,000 shares of common stock. **Price**—$3 per share. **Business**—A closed-end investment company. **Proceeds**—For investment purposes. **Office**—1326 Garnet Ave., San Diego, Calif. **Underwriter**—None.

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.

★ **Space-Tone Electronics Corp.**
Oct. 24, 1960 (letter of notification) 150,000 shares of common stock (par 25 cents). **Price**—$2 per share. **Proceeds**—For plant equipment, lumber, repayment of loan and working capital. **Office**—1145 19th St., N. W., Washington, D. C. **Underwriter**—None.

Speedry Chemical Products Inc. (12/1)
Sept. 28, 1960 filed $2,000,000 of convertible subordinated debentures, due Nov. 30, 1975, and 60,000 shares of class A common stock (50c par). **Prices**—To be supplied by amendment. **Business**—The company makes special purpose inks and devices used in their application. **Proceeds**—For expansion, acquisitions, and the retirement of bank loans. **Office** — 91-31 121st St., Richmond Hill, Queens, L. I., N. Y. **Underwriter** — S. D. Fuller & Co., New York City (managing).

Stancil-Hoffman Corp. (12/15)
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

● **Standard Instrument Corp. (11/21-25)**
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.

● **Standard Pressed Steel Co. (11/17)**
Sept. 27, 1960 filed 112,760 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Jenkintown, Pa. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Standard & Shell Homes Corp.
Nov. 1, 1960 filed 210,000 shares of common stock and $350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants, to be offered in units consisting of six common shares, a $10 debenture, and two warrants. **Price**—To be supplied by amendment. **Proceeds**—For construction, mortgage funds, and working capital. **Office**—Miami Beach, Fla. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York City, and Roman & Johnson, of Ft. Lauderdale, Fla.

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.

● **Still-man Manufacturing Corp. (11/28-12/2)**
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.

Stop & Shop, Inc. (11/15)
Sept. 23, 1960 filed 625,000 shares of outstanding $1 par common stock. **Price** — To be supplied by amendment. **Business** — The firm operates 118 self-service supermarkets in New England. **Proceeds**—To selling stockholders, the Rabb family. **Office**—393 D St., Boston, Mass. **Underwriters** — Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City (managing).

Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriter**—None; the offering will be made through officials and employees of the company.

● **Sulray, Inc. (11/15)**
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of specialized drugs. **Proceeds**—For general corporate purposes. **Office**—273 Columbus Ave., Tuckahoe, N. Y. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., New York, N. Y.

● **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 being offered by Mertronics Corp. to its stockholders of record Nov. 9 on a share-for-share basis with rights to expire on Dec. 5. **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. **Note**—The Atlas Corp. shares are expected to be offered upon completion of the Mertronics Corp. offering.

Swingline, Inc.
Oct. 25, 1960 filed 250,000 shares of class A stock (par $1), of which 50,000 shares will be offered for the account of the issuing company and 200,000 shares, representing outstanding stock, to be offered for the account of the company president and his wife, the selling stockholders. **Price**—To be supplied by amendment. **Business**—The company makes and sells stapling machines and various other office supplies, and has a stock interest in Wilson Jones Co., of Massachusetts, which makes and sells record-keeping and other commercial stationery supplies. **Proceeds**—For new plant and general corporate purposes of a subsidiary, Ace Fastener Corp., of Illinois. **Office**—32-00 Skillman Avenue, Long Island City, L. I., N. Y. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Expected in early December.

● **Tech Laboratories, Inc. (11/21-25)**
Sept. 28, 1960 (letter of notification) 84,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of precision instruments. **Proceeds**—For general corporate purposes. **Office**—Bergen & E. Edsall Blvds., Palisades Park, N. J. **Underwriters**—Carroll Co., and Fialkov & Co., Inc., both of New York City. **Note**—Dewey, Johnson & Co., is no longer involved in the underwriting.

Techni Electronics, Inc.
Aug. 10, 1960 (letter of notification) 112,500 shares of common stock (par 10c). **Price**—$2 per share. **Business**—The firm makes health and massage equipment, electric housewares, and medical electronic equipment. **Proceeds**—For expansion, working capital, and research and development expenditures. **Office**—71 Crawford St., Newark, N. J. **Underwriter** — United Planning Corp., 1180 Raymond Blvd., Newark, N. J. **Offering**—Imminent .

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. (11/21-25)**
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, loudspeaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

● **Tele-Tronics Co. (11/21-25)**
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.

● **Telex, Inc.**
Sept. 27, 1960 filed 196,000 shares of common stock, of which 125,000 shares are to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the retirement of $1,100,000 in outstanding notes. **Office**—Minneapolis, Minn. **Underwriter** — Lee Higginson Corp., New York City (managing). **Offering**—Expected in late November to early December.

● **Tenax, Inc. (11/14-18)**
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.

Texas Butadiene & Chemical Corp. (11/14-18)
Oct. 6, 1960 filed 635,800 shares of common stock, of which 296,000 will be offered publicly, 125,467 shares will be offered for the account of selling stockholders, and the balance will be issued in exchange for the issuer's outstanding preferred stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital and general corporate purposes. **Office**—529 Fifth Avenue, New York City. **Underwriters**—Blyth & Co., Inc. and Lehman Brothers.

Texas Research & Electronic Corp.
Oct. 3, 1960 filed 600,000 shares of common stock. **Price**—$1.15 per share. **Business**—Engaged in various phases of electronics. **Proceeds**—For acquisition of small businesses. **Office**—Meadows Bldg., Dallas, Tex. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

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. **Offering**—Expected in late November.

● **Tip Top Products Co.**
Oct. 4, 1960 filed 60,000 shares of class A common stock. **Price**—To be supplied by amendment. **Address**—Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and First Trust Co. of Lincoln, Lincoln, Neb. **Offering**—Expected in late November.

Transitron Electronics Corp. (11/17)
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).

Unifloat Marine Structures Corp.
Oct. 17, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, maintenance of inventory, machinery and equipment, and for working

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capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—To be supplied by amendment.

★ United Air Lines, Inc. (11/23)
Nov. 4, 1960 filed $25,000,000 of subordinated debentures, due 1985. **Price**—To be supplied by amendment. **Proceeds** — To reduce borrowings under the issuer's bank credit agreement. **Office**—5959 South Cicero Ave., Chicago, Ill. **Underwriter** — Harriman Ripley & Co., Inc., New York City (managing).

● United Bowling Centers, Inc. (11/16-18)
Sept. 28, 1960 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For construction, equipment and acquisition of bowling centers. **Office** — 1055 W. Genesee St., Syracuse, N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Hill, Darlington & Co., both of New York City (managing).

● United Industries Co., Inc.
Sept. 27, 1960 filed $500,000 of 6% convertible serial subordinated debentures. **Price**—At par. **Business**—The issuer's major activity is the warehousing of grain under contract to the U. S. Commodity Credit Corp. **Proceeds**—For expansion, working capital, and loans to subsidiaries. **Office**—1235 Shadowdale, Houston, Texas. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in November.

United International Fund Ltd.
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering**—Expected in December.

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 Shell Homes, Inc.
Oct. 28, 1960 filed $2,500,000 of 8% capital debentures, due Dec. 15, 1975, with warrants attached for the purchase of 50,000 shares of common stock, and 100,000 shares of such stock. These securities are to be offered in units consisting of $100 of debentures with attached warrants for the purchase of two common shares, and four such shares. **Price**—To be supplied by amendment. **Business**—The sale, construction, and financing of "shell" homes. **Proceeds**—For use by Dixie Acceptance Corp., a wholly-owned subsidiary of the issuer, who proposes to retire outstanding indebtedness, purchase secured instalment obligations, purchase 20,000 outstanding shares of its stock, and add to working capital. **Office** — 4415 Beach Boulevard, Jacksonville, Fla. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in early December.

● Universal Electronics Laboratories Corp.
Oct. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The manufacture, sale and installation of equipment used by schools and colleges in the instruction of modern foreign languages. **Proceeds**—For general corporate purposes. **Address**—510 Hudson St., Hackensack, N. J. **Underwriter**—Underhill Securities Corp., 19 Rector Street, New York, N. Y.

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.

Vacudyne Associates, Inc. (11/14-18)
Sept. 30, 1960 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Distributors of radio and TV receiving tubes and owner of Transletesonic Inc. which manufactures electronic tubes. **Proceeds**—For general corporate purposes. **Office**—397 Seventh Ave., Brooklyn, N. Y. **Underwriters**—Kenneth Kass; H. S. Simmons & Co., Inc. and B. N. Rubin & Co., Inc., New York, N. Y.

● Valdale Co., Inc. (12/15)
July 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To pay accounts payable, reduce a bank loan, advertising and for working capital. **Office**—Red Lion, Pa. **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**—Plymouth Securities Corp., New York City.

● Vibration Mountings & Controls, Inc. (11/21-25)
Sept. 29, 1960 filed 150,000 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Proceeds**—For research and development; expansion; purchase of inventory; working capital and general corporate purposes. **Office**—98-25 50th Ave., Corona, L. I., N. Y. **Underwriter**—Michael G. Kletz & Co., Inc., New York, N. Y.

Victor Paint Co.
Oct. 18, 1960 filed 130,000 shares of common stock of which 95,000 shares are to be offered for the account of the issuing company and 35,000 shares, representing outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the opening of additional stores in the metropolitan Detroit area. **Office** — Detroit, Mich. **Underwriter** — Charles Plohn & Co., New York City (managing).

★ Vim Laboratories, Co., Inc.
Oct. 26, 1960 (letter of notification) 90,000 shares of class A common stock (par $1). **Price**—$2.75 per share. **Proceeds**—To provide funds for further expansion of the company's operations. **Office**—5455 Randolph Rd., Rockville, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

● Webb (Del E.) Corp. (11/28-12/2)
Sept. 21, 1960 filed $8,000,000 of convertible subordinated debentures, due October 1975, 640,000 shares of common stock, and warrants for the purchase of 320,000 shares of such stock. These securities will be offered in units, each unit to consist of $50 principal amount of debentures, four common shares, and warrants for the purchase of two common shares. **Price**—To be supplied by amendment. **Business** — Real estate, construction, property and community development, and manufacturing. **Proceeds**—For property improvements. **Office**—302 South 23rd Ave., Phoenix, Ariz. **Underwriter**—Lehman Brothers, New York City (managing)

● Western Utilities Corp.
Oct. 27, 1960 filed $2,750,000 of 5¼% convertible debentures, due Oct. 1, 1975. **Price**—To be supplied by amendment. **Business**—The company owns substantial amounts of common stock in three operating public utilities. **Proceeds**—To reduce indebtedness, for working capital, and for the purchase of additional securities in operating utilities. **Office** — 300 Montgomery St., San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco, Calif. (managing). **Offering**—Expected in early December.

Westminster Fund, Inc.
Oct. 14, 1960 filed 4,000,000 shares of capital stock. **Business**—This is a new mutual fund, and its intention is to offer holders of at least $25,000 worth of acceptable securities the opportunity of exchanging each $12.50 worth of such securities for one share in the Fund, which will receive a maximum commission of 4%. **Office**—Westminster at Parker, Elizabeth, N. J. **Investment Advisor**—Investors Management Co. **Dealer - Manager**—Kidder, Peabody & Co., New York City. **Offering**—Expected in early December.

● White Avionics Corp. (11/14-18)
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. and Fidelity Investors Service, East Meadow, L. I. **Note** — This is a refiling of an issue originally filed last June 6 and subsequently withdrawn.

● Willer Color Television System, Inc. (11/21-25)
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. (11/21-25)
Aug. 26, 1960 filed 180,000 shares of common stock (par 25 cents). **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged chiefly in the design, 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.

Wilson (H. & H.), Inc.
Oct. 18, 1960 (letter of notification) 100,000 shares of class A common stock (no par). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—8420 S. Atlantic Ave., Bell, Calif. **Underwriter** — Fairman & Co., Los Angeles 14, Calif.

● Wisconsin Electric Power Co. (11/16)
Sept. 23, 1960 filed $30,000,000 of first mortgage bonds, series due 1990. **Proceeds**—For debt reduction and capital expenditures. **Office**—Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., 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. **Bids**—Expected to be received on Nov. 16 at 11:00 a.m. at room 1306, 48 Wall St., New York City. **Information Meeting**—Scheduled for Nov. 14 at 11:00 a.m. (N. Y. Time) at room A, 18th floor, Hanover Bank, 70 Broadway, New York City.

Wisconsin Southern Gas Co., Inc.
Oct. 26, 1960 filed 27,996 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds** — To reduce bank indebtedness. **Office**—Lake Geneva, Wis. **Underwriters**—The Milwaukee Co., Milwaukee, Wis., and Harley Haydon & Co., Inc., and Bell & Farrell, Inc., both of Madison, Wis.

Wood-Mosaic Corp. (11/28-12/2)
Sept. 27, 1960 filed 80,000 shares of class A common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital of the issuer and its subsidiary, Wood-Mosaic Industries, with the balance for debt reduction. **Office**—Louisville, Ky. **Underwriters**—Cruttenden, Podesta & Co., Chicago, Ill., and Berwyn T. Moore & Co., Inc., Louisville, Ky.

● Zurn Industries, Inc.
Sept. 26, 1960 filed 200,000 shares of common stock ($1 par), of which 100,000 shares are to be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture of mechanical power transmission equipment, fluid control devices, building plumbing drainage products and research and development of a synchro-gear assembly for atomic submarines. **Proceeds**—For new equipment, the repayment of loans, and working capital. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in late November.

Prospective Offerings

Acme Steel Co.
Oct. 3, 1960 it was reported that the sale of $10,000,000 of preferred stock is planned by the company for sometime later in the year. **Proceeds**—For expansion and modernization. **Office**—135th St. & Perry Ave., Chicago, Ill.

★ American Investment Co.
Nov. 3, 1960, Donald L. Barnes, Jr., executive vice-president, announced that debt financing is expected in early 1961 in the form of about $6,000,000 of capital notes and $4,000,000 to $6,000,000 of subordinated notes. **Office**—St. Louis, Mo.

Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds sometime in the first quarter of 1961. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

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. **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 Development, Inc.
Sept. 20, 1960 it was reported that a "Reg. A" filing, comprising this firm's first public offering is expected. **Note** — This firm was formerly carried in this column under the heading "Automation for Industry Inc." **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—Ross, Riemer, Collins & Co., Inc., 44 Beaver St., New York City.

Automation Labs Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Business** — Electronics. **Office** — Westbury, L. I., N. Y. **Underwriter** — Sandkuhl and Company, Newark, N. J., and New York City.

● Baltimore Gas & Electric Co.
Oct. 3, 1960 it was reported that the utility expects to sell about $20,000,000 of additional securities sometime during the first half of 1961, but no decision has been made as to type. **Office**—Lexington Building, Baltimore, Md.

Brooklyn Eagle Inc.
Oct. 5, 1960 it was reported that 70,000 shares of common stock will be filed. **Underwriter**—R. F. Dowd & Co., Inc., New York, N. Y.

Brooklyn Union Gas Co.
Sept. 21, 1960 G. C. Griswold, Vice-President and Treasurer, announced that there will be no further financing in 1960 but that $25,000,000 to $30,000,000 of mortgage bonds or preferred stock are expected in late 1961 or early 1962. **Office**—176 Remsen St., Brooklyn 1, N. Y.

California Asbestos Corp.
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif.

● California Oregon Power Co.
Oct. 18, 1960 it was reported that the company expects to come to market in late 1961 to raise about $12,000,000 in the form of approximately $7,000,000 of bonds and $5,000,000 common stock. **Proceeds**—For the repayment of bank loans. **Office**—216 W. Main St., Medford, Oreg.

Carbonic Equipment Corp.
Oct. 5, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made sometime in November. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

Casavan Industries
Sept. 21, 1960 it was reported by Mr. Casavena, President, that registration is expected of approximately $20,000,000 of common stock. **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.

Chicago, Rock Island & Pacific RR. (12/7)
Nov. 1, 1960 it was reported that bids will be accepted in New York City on Dec. 7 up to 1:00 p.m. (EST) for $3,450,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler.

Citizens & Southern Small Business Investment Co.
Oct. 24, 1960 it was reported that the company expects to file $3,000,000 of its common stock. **Office**—c/o Citizens & Southern National Bank, Marietta at Broad, Atlanta, Ga. **Registration**—Expected in November.

● Coca-Cola Co.
Sept. 22, 1960 it was announced that under the terms of the proposed acquisition of Minute Maid Corp. this company would issue about 906,400 shares of its common stock, each share of which will be exchanged for 2.2 Minute Maid shares. **Office**—Atlanta, Ga. **Note**—Minute Maid shareholders will vote on the proposed merger on Dec. 21.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing. Such approval is expected in December of this year, and the public financing is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbus & Southern Ohio Electric Co.
Sept. 22, 1960 it was reported the company will sell about $10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

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 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.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock for sometime in November. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office**—Norcross, Ga. **Underwriter**—To be named.

Dynamic Instrument Corp.
Oct. 5, 1960 it was reported that a full filing of approximately $300,000 of bonds, common stock and warrants is expected. **Proceeds**—For expansion and the manufacture of a new product. **Office**—Westbury, L. I. **Underwriter**—R. F. Dowd & Co. Inc.

★ Epps Industries, Inc.
Nov. 4, 1960 it was reported that registration is imminent of 100,000 shares of $1 par common stock. **Price**—$3 per share. **Business**—Epps is engaged in distributing and processing sheet and strip steel, picking and treating steel, and manufacturing round and square electric welded steel tubing. **Proceeds** — To repay outstanding bank loans and notes, with the balance for working capital and general corporate purposes, including the installation of an additional tube mill. **Office**—2332 E. 38th St., Los Angeles 58, Calif. **Underwriter**—California Investors, 3932 Wilshire Blvd., Los Angeles 5, Calif.

Exploit Films Inc.
Oct. 28, 1960 it was reported that the company will file a letter of notification consisting of 150,000 shares of common stock at $2 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th St., New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City. **Registration**—Expected in December.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit, Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering, in late December or early January. **Office** — 430 Southern Blvd., Bronx, N. Y.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that November 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.

Geotechnics & Resources, Inc.
Nov. 2, 1960 it was reported that a letter of notification covering 149,800 shares of 25¢ par common stock was imminent. **Price** — $2 per share. **Business** — The interpretation of photo-aerial maps. **Proceeds** — For equipment, research and development, and other general corporate purposes. **Office**—White Plains, N. Y. **Underwriter**—S. D. Fuller & Co., New York City.

Goshen Farms Inc.
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

Gulf States Utilities Co. (1/17)
Nov. 1, 1960 it was reported that $11,500,000 of common stock will be offered. **Information Meeting**—Jan. 12, 1961 at 11:00 a.m. at the Hanover Bank, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers; Glore, Forgan & Co.; Lee Higginson Corp. **Bids**—Expected Jan. 17, 1961.

● Hemingway Brothers Interstate Trucking Co.
Sept. 16, 1960 the ICC granted the firm permission to issue $1,000,000 of 10-year registered 6% subordinated debentures. **Business**—The firm is a common carrier by motor vehicle operating in nine Eastern states. **Proceeds**—For debt reduction and additional equipment. **Office**—New Bedford, Mass. **Underwriter**—None. **Offering**—Expected in late November to early December.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Illinois Central RR. (11/10)
Nov. 1, 1960 it was reported that bids will be accepted in Chicago up to 1 p.m. (New York Time) on Nov. 10 for $2,625,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler.

Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

International Safflower Corp.
Oct. 28, 1960 it was reported that the company plans to file a letter of notification consisting of 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.

Iowa-Illinois Gas & Electric Co.
Oct. 24, 1960 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to come to market, perhaps in mid-1961, to sell permanent securities in the form of bonds and possibly preferred stock, with the amount and timing to depend on market conditions. The 1961 construction program is estimated at $17 million of which $10-$11 million will have to be raised externally. **Office**—206 E. 2nd St., Davenport, Iowa.

Japan Telephone & Telegraph Corp.
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Kidder, Peabody & Co. **Offering**—Expected in the Spring of 1961.

Kawasaki Steel Co., Ltd.
Oct. 17, 1960 it was reported that the Japanese company is considering a $4,000,000 bond issue for U. S. offering. **Underwriter**—First Boston Corp., New York City.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

Lone Star Gas Co.
Aug. 3, 1960, it was reported that about $37,000,000 will be raised to cover capital requirements over the next year. **Office**—301 So. Harwood Street, Dallas 1, Texas.

★ Louisville & Nashville RR. (12/13)
Nov. 7, 1960 it was reported that $7,700,000 of equipment trust certificates will be offered on Dec. 13. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

★ Macroso Lumber & Trim Co., Inc.
Nov. 7, 1960, it was reported that a substantial common stock offering is contemplated in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is expected 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.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

Northern Fibre Glass Co.
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected sometime in November of 300,000 shares of com. 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.
Oct. 18, 1960 it was reported that the sale of the $10 million bonds is tentatively expected in April, 1961. **Office**—10 North Broadway, Nyack, N. Y.

Otter Tail Power Co. (1/24)
Oct. 21, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of between $6,000,000 to $8,000,000 of 30-year first mortgage bonds is expected. **Office**—Fergus Falls, Minn. **Underwriter**—To be determined by competitive bidding. Probable bidders to be named.

Pacific Gas Transmission Co.
Nov. 2, 1960 it was reported by Mr. K. C. Cristensen, company Vice-President and Treasurer, that this subsidiary of Pacific Gas & Electric Co. plans a rights offering to stockholders later this year of $13,300,000 of convertible debentures and also plans the sale of $90,000,000 of first mortgage bonds, the timing of which is as yet undecided. **Office**—245 Market Street, San Francisco, Calif. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Panhandle Eastern Pipe Line Co.
Sept. 28, 1960 it was reported that $65,000,000 of debentures are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing.)

Peerless Mortgage Co.
Sept. 21, 1960 it was reported that this company is preparing a "Reg. A" filing. **Proceeds**—To increase buying power for purchase of first and second mortgages. **Office**—Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Pocket Books, Inc.
Oct. 24, 1960 it was reported that the company expects to file outstanding common stock in the amount of approximately $15,000,000. **Proceeds**—To selling stockholders. **Office**—630 5th Ave., New York City. **Underwriters**—White, Weld & Co. and Goldman, Sachs & Co. (jointly). **Registration**—Expected in November.

Potomac Electric Power Co. (12/7)
Oct. 31, 1960 it was reported that the company expects to sell $40,000,000 of bonds. **Office**—929 "E" St., N. W., Washington, D. C. **Bids**—Tentatively expected on Dec. 7.

Power Chem Industries
Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The manufacture of additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office**—645 Forrest Ave., Staten Island, N. Y. **Underwriter**—Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y.

Prospectors Airways Co., Ltd.
Oct. 17, 1960 it was announced that the directors have authorized the issuance of an additional 1,140,000 shares of unissued capital stock being offered to stockholders of record Oct. 28 on the basis of one new share for each two shares then held. Rights expire Nov. 18. **Price**—$1 per share. **Business**—Prospecting and exploring for metals. **Proceeds**—For general corporate purposes. **Office**—Suite 1616, 44 King St. West, Toronto 1, Ontario, Can. **Underwriter**—None.

Public Service Electric & Gas Co. (12/13)
Oct. 24, 1960 filed 250,000 shares of cumulative preferred stock with the New Jersey Public Utility Commission. SEC filing is expected shortly. **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—Newark, N. J. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing). **Information Meeting**—Scheduled for Dec. 8 at 11:00 a.m.

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★ Ram Electronics, Inc.
Nov. 4, 1960 it was reported that a November letter of notification is expected comprising this firm's first public offering. **Office**—Paramus, N. J. **Underwriter**—Plymouth Securities Corp., New York City.

Richards Aircraft Supply Co., Inc.
Oct. 10, 1960 it was reported that a "Reg. A" filing of the company's common stock is expected. **Proceeds**—For expansion and working capital. **Office**—Ft. Lauderdale, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

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. (3/15)
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. **Bids**—Tentatively expected on March 15.

Rudd-Melikian, Inc.
Sept. 28, 1960 it was reported by J. C. Barr, a corporate officer, to this paper that new financing is being discussed. No details are available. **Office**—Hatboro, Pa.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Southern Bell Telephone & Telegraph Co. (12/5)
Sept. 26, 1960 the company authorized the issuance of $75,000,000 of debentures to be dated Dec. 1, 1960. **Proceeds**—For construction. **Office**—Atlanta, Ga. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., both of New York City. **Registration**—SEC registration is expected in November. **Bids**—Expected on or about Dec. 5.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds**—To retire bank loans. **Office**—Watts Building, Birmingham, Ala.

● Southern Railway Co.
Nov. 21, 1960 stockholders will meet to vote on the issuance of $150,000,000 of new bonds. **Proceeds**—For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter** — Halsey, Stuart & Co. Inc., will head a group that will bid on $25,000,000 of the bonds.

Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 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. **Underwriter**—Dillon, Read & Co., Inc.

Storer Broadcasting Co.
Sept. 28, 1960 it was reported that a secondary offering is being planned. **Office**—Miami Beach, Fla. **Underwriter**—Reynolds & Co., New York City.

TelAutograph Corp.
Nov. 1, 1960 it was reported by R. E. Lee, President, that a rights offering is scheduled for January, 1961, subject to FCC and SEC approval. **Proceeds**—The issuer hopes to raise over $1,000,000, which will be used to start early 1961 production of a remote handwriting device. **Office**—Los Angeles, Calif.

Trans World Airlines, Inc.
Oct. 10, 1960 it was announced that financing needs have been scaled down to $318,000,000 from the original figures of $340,000,000 with $168,000,000 to be loaned to TWA by banks, insurance companies and other lenders, $50,000,000 to be drawn from internal sources, and $100,000,000 from the proposed sale of subordinated income debentures with stock purchase warrants to TWA stockholders. **Proceeds**—To give TWA direct ownership of a jet transport fleet. **Office**—10 Richards Road, Kansas City 5, Mo. **Underwriters** — Lazard Freres & Co., Lehman Brothers and Dillon, Read & Co., Inc. (managing). **Note**—Oct. 25 it was reported that this financing is not expected to occur and a statement will be issued soon on future plans.

Trunkline Gas Co.
Sept. 28, 1960 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Van Dusen Aircraft Supplies, Inc.
Nov. 1, 1960 it was reported that registration is expected during November of a letter of notification covering 100,000 shares of this firm's $1 par common stock. **Proceeds** — For expansion. **Office** — Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa.

Varifab, Inc.
Nov. 2, 1960 it was reported that a letter of notification, comprising the company's first public offering, is due later this month. **Office**—High Falls, N. Y. **Underwriter**—Droulia & Co., 25 Broad Street, New York City.

Virginia Electric & Power Co. (6/13)
Sept. 8, 1960 it was reported that the company will need $30,000,000 to $35,000,000 from outside sources in 1961. The precise form of financing will depend upon market conditions. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Expected on or about June 13.

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 expected. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriters**—J. I. Magaril & Co., New York City and Sandkuhl and Company, Newark, N. J., and New York City.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Registration**—Expected in November.

Use of Leading Indicators And Diffusion Indexes

Continued from page 3

and then to study their behavior so as to use them to forecast turns in the business cycle.

Moore tested more than 800 series in the National Bureau's files. He eventually ended up with a preferred and well-known list of 21 series which had an unusually stable timing relationship with the business cycle and had a minimum of erratic movements. Of this group of series, eight tended to lead, eight tended to coincide with, and five tended to lag at business cycle turns.

Leading Indicators

Not only did the behavior of these 21 series conform empirically to general business conditions, but they also represent significant sectors of our economy and there seem to be logical reasons for their observed behavior. Thus, of the eight leading indicators, three are (1) New Orders, Durable Goods Industries, (2) Residential Building Contracts, and (3) Commercial and Industrial Building Contracts. It seems perfectly obvious that these orders or contracts series should lead actual activity in the sectors. Another series is Average Weekly Hours Worked in Manufacturing Industries, and again it seems reasonable that a manufacturer would first change the number of hours worked by his labor force before he would change the number of people working for him. Another series is Industrial Stock Prices, reflecting the composite judgment of many people specializing in anticipating changes in various companies. The remaining series, Business Failure Liabilities, New Incorporations, and a Spot Market Price Index, have less obvious reasons for leading, but it is not unreasonable that they do.

Even though this group includes those series which have given the best performance in leading the business cycle, no one of them individually is reliable as a leader. Each will, depending upon circumstances, fail at times to give a proper signal of an approaching recession or recovery. For this reason, we cannot rely upon any single indicator, but we must instead derive some sort of a group consensus. Moore suggested several, which are still the most popular, including simply the percentage of the indicators expanding, or the average duration of run.

These techniques provide general information where we are in the business cycle and some indication when we may be approaching a turning point. But their interpretation is not mechanical and requires a great deal of judgment. In our own office, Ashley Wright has developed a technique for estimating, not only the imminence of a turning point, but its timing as well. His procedure depends upon the assumption that in a general business cycle turning point there will always be some series that will lead. From an identification of these and their rate of build-up, one can estimate the entire distribution of turning points. Wright actually fit the tail of a normal curve to the build-up in its early stages and predicted the turning point as the central point of the curve so fitted.

Although the leading indicator approach has its pitfalls, it is nonetheless true that we have probably taken a significant step forward. A few years ago, professional opinion was often sharply divided some months after turns in business. It was common to find disagreement over whether a turn was coming in the moderately distant future, was currently at hand, or had occurred in the recent past. Economists are still divided on these matters, when turns occur, but one gets the impression that there is at least a more prompt recognition of turns after they have occurred and that those who have been studying the cyclical behavior of statistical indicators have been doing a little better than their colleagues.

Erratic Forecasting Records

In the early spring of 1957, for example, most economists interested in forecasting and most top business executives were predicting a continuing rise in business throughout the year. However, two well-known economists who regularly use statistical indicators as a forecasting tool were almost alone in published forecasts in pointing to signs of a business decline, which was in fact at hand, and in urging caution. In our internal forecasts, we gave considerable weight to the indicators and anticipated the timing of the peak with considerable accuracy.

In 1958, the record is a little more complicated. A number of business executives thought that an upturn was imminent and this turned out to be right. However, others were predicting an upturn late in the year after the bottom had in fact been passed. Again, the two users of statistical indicators seem to have been the first or among the first to recognize clearly after the event that a trough had been passed. These two examples constitute too small a sample to be conclusive, of course, but they do provide a positive indication of the usefulness of the indicators.

What then, are the weaknesses of the statistical indicator approach to forecasting business cycle turns? They seem to be the following:

First, there is the difficulty of distinguishing significant turns in the indicators from those that are unimportant and temporary. Erratic swings in the data often cannot be entirely eliminated by smoothing devices. In this connection, moving averages have the side effect of reducing forecasting lead time.

Second, there is great variability from cycle to cycle in the lead time of turning points in leading series and in the lead time of "consensus" indicators derived from them. The mere statement that a business peak is coming is not much help. We all know that our economy is subject to downturns. We need to know not only that a turn is coming, but also at least roughly when it is going to arrive.

Third, the statistical indicators at best do not give more than a few months advance warning.

Fourth, turns in statistical indicators, taken alone, do not distinguish between real business cycle turns on the one hand, and "levelling-off" periods or turns that are too mild to be regarded as cyclical turns on the other. This is probably not too serious a weakness, however, since such mild turns as that which occurred in the fall of 1933, the late spring and summer of 1947 and in 1951-52 can usually be recognized for what they are on the basis of general economic information beyond the scope of the statistical indicator method.

In addition to these principal weaknesses, we have certain less important difficulties associated with lags in the publication of data, the occasional elimination or revision of series which have been useful in the past, and the fact that seasonal correction factors are sometimes not as satisfactory as they might be.

Turning to the question of the practical application of statistical indicator forecasting techniques, many people have over the years attempted to devise variations of the technique to oversome its shortcomings. In 1955, Arthur L. Broida concluded that a currently maintained diffusion index was neither much better nor much worse than an index of percentage rates of change in the Federal Reserve Board Index of Industrial Production and that neither was a very reliable forecaster. Maher experimented with combining of indicators by linear regression methods with about the same results. Alexander and Stokler experimented with regressions using leading series and an auto-regression of changes in the F.R.B. index. About two years ago, summing up the situation, Geoffrey Moore said it appeared to him "that none of the contrivances so far devised to summarize the behavior of leading indicators can do more than help one to identify business-cycle peaks at about the time they occur or to indicate promptly shifts in the economy's rate of expansion."

In short, none of these attempts has made any significant improvements. We may safely conclude that there is only so much information to be gained from the approach, and no amount of statistical manipulation is going to make a complete forecasting system out of it.

Only One of the Available Tools

We must regard leading indicators and diffusion indexes as merely one of a number of tools at the forecaster's disposal. Occasionally they may decide for him that a turn is close at hand, imminent, or has just occurred. Sometimes they will help him hardly at all. More often they will constitute one fairly substantial item of evidence which he must weigh along with other often conflicting items available to him. He has to decide for himself, on the basis of information and analysis outside the technique, whether a signal of a turn is likely to be the real thing or a false alarm.

A typical example of the kinds

of problems that arise in the application of the leading indicator approach to the total forecasting problem has arisen in the past year.

Around the middle of last year, peaks occurred in a number of leading indicators. This became obvious a few months later when the data were published. A mechanical reading of them would have indicated an approaching peak in the business cycle. However, these peaks happened to be just before the steel strike, and most people felt that they had been caused more by the strike than by underlying cyclical forces. Furthermore, most analysts regarded the underlying forces of the economy as strong. Therefore, the signals of the statistical indicators could be disregarded as resulting from an artificial and temporary situation. Regardless of whether or not these were correct judgments, they were judgments that had to be made. No amount of statistical manipulation of the series themselves, however ingenious, would provide the answer.

As matters actually developed, there was only a brief spurt of activity after the strike followed by a levelling off and not a sustained upward drive. The statistical indicators have stubbornly refused to start rising again. Thus, the leading indicator approach suggests that we are close to a peak of a business cycle, that we are a little past it or it is not far ahead of us. A more precise timing estimate is difficult because of the distortions in the series influenced by the steel strike.

If the indicators which seem to have been most affected by the strike are ignored, those remaining seem to suggest the possibility of a turn later in the year or early in 1961. At the same time, the failure of the leading indicators to recover more vigorously after the strike seems to favor an earlier turn.

Thus, what the indicators indicate is not always entirely clear. Moreover, even if we place the worst interpretation on what they tell us and assume that we are now at the beginning of what otherwise would be a typical downswing, it is not impossible that some new development may restore prosperity and a rising trend in business. Many economists believe that increased expenditures on defense contracts and the highway program, the contributions of lower interest rates and higher mortgage buying prices to residential construction, and increases in inventory spending will do just this in the closing months of the year.

In summary, forecasting is still an art and we should not rely on the mechanical application of any single forecasting technique. What the statistical indicators tell us should be integrated with all the other relevant information at our disposal and their behavior should be interpreted in the light of that information.

*A talk by Mr. Adams before the National Industrial Conference Board 8th Annual Marketing Conference, New York City.

What the Investor Should Do

By Roger Babson

The increase in savings makes Mr. Babson more optimistic about our economic future. The financial publicist cautions those who are funneling their savings into real estate and the stock market to first build up a fair proportion of their assets in bank deposits and government bonds. In referring to present uncertain world conditions and domestic business maladjustments, he advises the well protected investor to wait patiently for real bargain investment opportunities.

Up until a few months ago, the popular subject of discussion was the so-called "golden sixties" business boom. Expectations were based largely upon the projected growth in population and consumer spending—predicated upon the free-spending attitude of consumers since the end of World War II. Consumers have upset the applecart, however, by exhibiting greater patience with regard to building new homes and purchasing durable goods. Moreover, they are putting away larger amounts in savings. The net result has been a slowing down of industrial activity.

Putting the Brakes on Inflation

Political promises have been thrown at voters by the candidates in an attempt to claim credit for halting inflation. The truth of the matter is that the bulk of the credit belongs to the consumers. Although Federal monetary policies designed to tighten credit can dampen inflationary pressures, it is the voluntary action of consumers which determines spending and borrowing.

By sticking to a systematic and intelligent savings program, the readers of this column can both help check inflation and lay the ground-work for a healthy period of future economic growth. Cure-all legislation suggested by politicians appears very tempting; but it is the oldfashioned habit of THRIFT which, in the long run, will promote sound business growth and hold down inflation.

What About Savings?

At the present time, the rate of individual savings has been increased to over $25 billion a year. This is almost $1 billion more than people saved in the 1958 recession year, and almost $2 billion more than they put away last year. In addition, by easing up on bank borrowings and whittling down their outstanding loans, consumers have held the inflationary rise of consumer debt in check.

The task of saving today is made easier by the record level of personal income. However, this increase in income presents also a strong inducement to indiscriminate spending. Hence, the fact that consumers have voluntarily chosen to put aside more money for the future makes me more optimistic on the future of this country!

Putting Savings to Work

In recent years, the low interest rate on savings bonds has discouraged saving via that sector. In fact, many people have been cashing in such bonds. At long last the government has raised the interest rate on these bonds to make them competitive with other savings media; so it may be that savings will again be put into government savings bonds.

Savings accounts in commercial banks, mutual savings banks, and savings and loan associations are at an all-time high. Savings in the form of life insurance—including endowments and annuities—also continue to increase to new record levels. These, of course, are old stand-bys for savings. Today more people are funneling savings into real estate and the stock market — either directly, or indirectly through the purchase of Mutual Investment Trust shares.

Guard Your Nest Egg

I am not worried about those people who have a fair proportion of their savings in bank deposits and government bonds. I am, however, fearful for the neophytes who are attempting to "get rich quick" in real estate or the stock market. These people too often neglect to build up first a cushion of cash reserves. The decline of over a hundred points in the stock market this year, and the laggard real estate market, show that investing is not a one-way affair . . . always going up. Market declines are a natural occurrence, and they can hurt those who invest indirectly through the various Funds as well as those who do their own buying of stocks, real estate, etc.

In view of the uncertain world conditions and domestic business maladjustments, my advice is to build up cash reserves and wait patiently for real bargain investment opportunities. Your thriftiness—not that of the politicians—is the hope for healthy business.

McClane Co. Formed

McClane & Co., Inc. has been formed with offices at 26 Broadway, New York City to engage in a securities business. Walter McClane is a principal of the firm.

Witter Opens New Branch

ENCINO, Calif.—Dean Witter & Co. has opened a branch office at 17002 Ventura Boulevard under the management of Otis M. Healy.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Painters toiled away at the White House on Wednesday after the Election which means a fresh decoration job for President-elect John F. Kennedy and his family when they move to 1600 Pennsylvania Avenue on Jan. 20.

John F. Kennedy

Birds fluttered about the spacious grounds in the bright Autumn sunshine on the heels of the election, but inside the White House executive offices there was anything but sunshine.

The Eisenhower Administration had hoped that Richard Nixon would become the 35th Chief Executive of our country.

Now the Democrats are, in a way, on the spot. They have not only regained control of the White House, but they also have continued control of Congress.

More Spending, Higher Taxes, Indicated

On paper, at least, the Kennedy Administration probably means more Federal spending. It will also likely mean higher taxes, either directly or indirectly, during the next four years.

On the other hand, the personable young Chief Executive-to-be probably will be more conservative in his Administration than he was on the stump. Many of his liberal statements were designed to attract the liberal voters of the nation. Moreover, he will also have to contend with the same conservative Democrat-Republican coalition in Congress that has existed in past years.

The election was the first time in history that two United States Senators were elected to the No. 1 and No. 2 elective offices in the nation.

This means, of course, that Senatorial vacancies have been created in Massachusetts and Texas with the election of Mr. Kennedy and Lyndon B. Johnson. A successor to majority leader Johnson will have to be made in the Senate.

The Senate and House lineups, when the final tabulations are made, will not be greatly different than during the 86th Congress. Before the election the Senate division was 66 Democrats and 34 Republicans. In the House there were 283 Democrats and 154 Republicans.

The closeness of the popular vote, the sharpest since the Wilson and Hughes election of 1916, seems certain to result in an increasing demand to change as noted further below, the present electoral system.

Congress House Unchanged

The 87th Congress remains tightly in the control of the Democrats. Even before Americans treked to the polls, the Senate was secure in the hands of the Democrats because only a third of the Senate seats were up for election.

On the House side the next speaker apparently will be Sam Rayburn of Texas, who has been speaker longer than any man who has ever held that post. House Majority Leader is expected again to be John W. McCormack, with Carl Albert of Oklahoma likely to remain the Majority Whip.

Republican House leadership will be headed by Representative Charles A. Halleck of Indiana, who was elected in the last Congress to succeed former Speaker Joseph W. Martin of Massachusetts.

Most of the lawmakers in both the Senate and House during the next two years have had previous legislative experience. As has long been customary, attorneys will predominate in the new Congress.

Although it will be several days before many of the "vital statistics" concerning the lawmakers are available, chances are that the average age of the members of the 87th Congress will be in the early 50's.

May Renew Proposal to Discard Electoral Vote System

Incidentally, there is a strong possibility that renewed efforts will be made in the next Congress to end the electoral system of naming the President and Vice-President of the United States.

There are many Americans who are advocating that the present electoral college system be abolished once and for all. Under the present system the candidate who received the largest number of popular votes in a particular state gets all the electoral votes of that state. Each state, of course, has the same number of electoral votes as it has members of the U. S. House and Senate.

Under the so-called Lodge-Gossett proposed amendment to the Constitution of several years ago, which got substantial support before it died with the adjournment of Congress, each Presidential candidate would receive "such proportion of the electoral votes" of each state "as he received of the total vote" cast in that state. The division would have been carried out to the third decimal point unless "a more detailed calculation could change the result of the election."

The candidate, of course, with the greatest number of electoral votes would be the President of the United States. If two or more candidates end in a tie, which would be highly unlikely, the vote would be divided down to a fraction.

When Henry Cabot Lodge was in the Senate, and former Representative Ed Gossett of Texas was in the House, they pushed the proposed Lodge-Gossett amendment and it had a substantial following. Many people are advocating that it be taken up in the next Congress. The late Senator George Norris of Nebraska advocated a similar amendment in Congress.

Political Objections to a Change

Unfortunately, there are too many Democrats in Congress that are afraid of the change. They are afraid that the Democrats would lose some ground to the Republicans if such a change were made. At the same time, some Republicans are against tampering with the electoral system that has prevailed down through the years.

It was 100 years ago, when the days were dark with Civil War clouds, that Northern and Southern Democrats were split asunder over the slavery issue. There were three Democratic Presidential candidates in the field when all the conventions were over and bitterness prevailed.

The Northern wing of the party held a convention at Baltimore and nominated Stephen Douglas who had defeated Abraham Lincoln in the Illinois Senatorial race a couple of years previously. Douglas had straddled the slavery issue.

The Southern Democrats held a separate convention and nominated Vice-President John C. Breckenridge of Kentucky.

Then the so-called Border State moderates came up with a nominee. He was John Bell of Tennessee, who ran on a constitutional ticket.

The Republican nominee, Abraham Lincoln, subsequently became the first Republican President because of the division in the Democratic ranks. Lincoln polled 1,866,000 votes. Although he lacked a majority of the popular votes, he won the election with 180 electoral votes; Douglas received 1,375,000 votes, but only 12 electoral votes, and Breckenridge, with his strong support from the Far South, received 72 electoral votes, although his popular vote was only 845,000. Bell got 39 electoral votes although he carried only Kentucky, Tennessee and Virginia.

Impact on "Solid South"

The advocates who believe that we should change the system point out, and with good reason, that under the so-called Lodge-Gossett amendment proposal the voters would choose their Presidential candidates directly, without an intervening "hocus-pocus" method that now prevails.

Of course the once Solid South, which was last solid in the wartime year of 1944 when F. D. Roosevelt was elected for a fourth term, might not be solid again for a long time. Nevertheless, under the proposal it would further expedite the two-party system's growth in Dixie.

In 1944, as an example, President Roosevelt got all 127 electoral votes of the 11 Southern States. Under the amendment, former Governor Thomas E. Dewey would have won 28 to Roosevelt's 99. At the same time the Democrats would have obtained 3⅔s of the eight votes of Maine and Vermont, instead of none.

Furthermore, it would put an end to the doubtful states where a lot of money sometimes is spent to concentrate on a few states. Every state would be a real battleground. A half-dozen pivotal states and sectionalism would be abolished.

Also, it would give the smaller states a chance of getting one of its able sons nominated for the Presidency because there would be no political scheming to capture a pivotal State. States like New York, California, Ohio, Illinois, would be no different from the smaller states in the nomination and election scheme of things.

Perhaps the time for a change in the electoral system of our country is closer at hand.

[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.]

"Nice to get away from Wall Street for awhile."

COMING EVENTS

IN INVESTMENT FIELD

Nov. 10, 1960 (Minneapolis, Minn.)
Minnesota Group of Investment Bankers Association meeting.

Nov. 12, 1960 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia Eighth annual dinner dance at the Germantown Cricket Club.

Nov. 17-18, 1960 (Chicago, Ill.)
American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.

Nov. 27-Dec. 2, 1960 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

Dec. 6, 1960 (New York City)
Investment Association of New York annual dinner at the Waldorf-Astoria Hotel.

April 12-13-14, 1961 (Houston, Tex.) Texas Group Investment Bankers Association annual meeting at the Shamrock Hilton Hotel.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Brandtjen & Bayliss

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn.—Brandtjen and Bayliss, Inc. has been formed with offices in the Pioneer Building to engage in a securities business.

Forms Fleming Co.

ABINGTON, Pa. — Eugene B. Fleming is engaging in a securities business from offices at 3056 Woodland Road under the firm name of Fleming & Company.

3 With Hemphill, Noyes

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Samuel H. Albro, Robert H. Bingham, and Damon W. Hall have become associated with Hemphill, Noyes & Co., 10 Post Office Square. All were formerly with du Pont, Homsey & Company.

Two With Fusz-Schmelzle

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Joseph J. Warnick and Donald E. Weise have joined the staff of Fusz-Schmelzle & Co. Inc., 522 Olive Street, members of the New York and Midwest Stock Exchanges. Mr. Warnick was formerly with Yates, Heitner & Woods and B. C. Christopher & Co. Mr. Weise was with A. G. Edwards & Sons.