The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839

Reg. U. S. Pat. Office

Volume 192 Number 6008 New York 7, N. Y., Thursday, December 1, 1960 Price 50 Cents a Copy

Editorial AS WE SEE IT

To the thoughtful observer this at times appears to be an almost hopelessly "divided world"—perhaps more so than at any other time in history. Of course, it is true that such differences of opinion, of policy and of purpose as now appear among the nations are magnified by the fact that this is also a time of a great deal of talk about "cooperation" and unity of purpose. In the past, perhaps, it was not regarded as surprising that each people tended to go its own way, and paid only such attention to the activities and programs of other nations as the requirements of law and order and its own interests demanded. But be all that as it may, one can scarcely fail to be impressed with the wide contrast between the generally professed philosophies of the day and the world situation as it in fact presents itself.

At a time when word continues to pour from the capitals of the so-called free world about the need of joint action and full cooperation, it is increasingly evident as the days pass that no such close agreement exists about many things. It has long been evident that several of the countries of Europe and more than one elsewhere do not share the ideas of the United States about what is and is not necessary in the premises. Naturally these differences are not aired in public, but time and again evidences of their existence become irrepressible.

Most of the countries with which the United States is, or desires to be closely associated in joint efforts to "contain" the communists, have had a much closer view of what war really is — or was even in the 1940s — than have we. What is more, all of them are much closer to the Soviet Union and its rockets, to say nothing of its enormous conventional military forces. They are, too, living in congested areas where modern warfare is most horrible. And most of them are old hands at world politics, and are inclined to regard us as a "Johnny-come-lately" in the field. It is hardly strange that difficulty is encountered in developing a close unity of policy and action among the nations. The latest evidence of difficulty among us—which without (Continued on page 28)

The Economic Outlook and Other Factors Imply Interest Rate Rise

By C. Richard Youngdahl,* *Executive Vice-President of Aubrey G. Lanston & Co., Inc., New York City*

Given any upturn in business by mid-1961, interest rates will probably be higher a year hence than they are today. In pointing this out, Mr. Youngdahl doubts further significant ease in intermediate and long-term interest rates in the next few months—barring any change in investors' business outlook views, and banks' and other investors' preference for short-terms. He predicts a $5 billion Federal deficit next year at the minimum; explains why the Fed is unwilling to allow short-term interest rate to decline much further; and warns of dangers that could result if the Fed were to start buying intermediates and long-bonds.

This past year has been another fascinating period for the student of our money and capital markets, if not always for the participants. A few old rules and relationships broke down a bit. Some students even say that the interest rate cycle has gotten "out of phase" with the business cycle. In any event the unusual features of interest rate developments in the year 1960 make an essential background for appraising the outlook for 1961.

C. R. Youngdahl

Early this year interest rates reached a peak level in the United States. Bill rates were in the 5% area and a generous sprinkling of intermediate-term Treasury securities offered returns slightly above this level. In the long-term capital markets, new issues of the highest-grade corporate securities were available at yields of over 5¼% while outstanding long-term Treasury issues reached market yields of more than 4⅝%.

These yields developed as a result of a combination of unusual factors. Last December and January we were being subjected to the usual heavy barrage of seasonal predictions about the business outlook for the year ahead, and in that case the end of a decade resulted in a doubling-up of predictions to tell us about the soaring sixties. Psychologically, the capital markets had been brainwashed, particularly since the threat of inflation along with the boom was then very real in many minds. In a sense, many investors were oversold or underinvested, awaiting further developments.

But market and business psychology was only part of the high interest rate story. Pressures of credit demand were fantastically heavy, from almost all categories of borrowers, public and private. After the steel strike, business activity, as measured by almost any indicator, had been accelerating at a fabulous clip, and indeed the pace of total economic activity continued on to new high ground for several months in 1960. Credit demands of all kinds continued very large.

Turn in Interest Rates Last Winter

In our money and capital markets, however, a marked change began to take place in the second half of January. Short-term rates started to recede as money began to flow more heavily into that market, particularly from corporations, individuals, and states and municipalities. Soon, throughout the entire range of our credit markets, yields began to edge lower. By early February the picture became more definite, and the declines in yields accelerated.

This turning point in our credit and capital markets is the more noteworthy because it took place despite a huge demand for credit of all kinds and entirely without benefit of any reliable indication, statistical or otherwise, that activity in our economy was at a turning point. It occurred in part because people began to wonder whether inflation was indeed a (Continued on page 22)

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

U. S. Government, Public Housing, State and Municipal Securities
TELEPHONE: HAnover 2-3700
CHEMICAL BANK NEW YORK TRUST COMPANY
BOND DEPARTMENT
30 Broad Street
New York 15

NATIONAL AND GRINDLAYS BANK LIMITED
Head Office: 26, BISHOPSGATE, LONDON, E.C.3.
London Branches
54 PARLIAMENT STREET, S.W.I.
13 ST. JAMES'S SQUARE, S.W.I.
Bankers to the Government in: ADEN, KENYA, UGANDA, ZANZIBAR
Branches in: INDIA, PAKISTAN, CEYLON, BURMA, KENYA, TANGANYIKA, ZANZIBAR, UGANDA, ADEN, SOMALI REPUBLIC, NORTHERN AND SOUTHERN RHODESIA

STATE AND MUNICIPAL BONDS
THE FIRST NATIONAL CITY BANK OF NEW YORK
Bond Dept. Teletype: NY 1-708

LESTER, RYONS & CO.
623 So. Hope Street, Los Angeles 17, California
Members New York Stock Exchange
Associate Member American Stock Exchange
Members Pacific Coast Exchange
Offices in Claremont, Corona del Mar, Encino, Glendale, Hollywood, Long Beach, Oceanside, Pasadena, Pomona, Redlands, Riverside, San Diego, Santa Ana, Santa Monica, Whittier
Inquiries Invited on Southern California Securities
New York Correspondent — Pershing & Co.

Underwriters and distributors of
STATE, MUNICIPAL AND PUBLIC HOUSING AGENCY BONDS AND NOTES
Dealers in and Distributors of Securities of
Federal Land Banks
Federal Intermediate Credit Banks
Federal Home Loan Banks
Banks for Cooperatives
Federal National Mortgage Association
United States Government Insured Merchant Marine Bonds
and
International Bank for Reconstruction and Development (World Bank)
THE CHASE MANHATTAN BANK
HAnover 2-6000

UNDERWRITER
DISTRIBUTOR
DEALER
FIRST Southwest COMPANY
DALLAS

T. L. WATSON & CO.
ESTABLISHED 1832
Members
New York Stock Exchange
American Stock Exchange
25 BROAD STREET
NEW YORK 4, N. Y.
BRIDGEPORT • PERTH AMBOY

Net Active Markets Maintained To Dealers, Banks and Brokers
CANADIAN SECURITIES
Block Inquiries Invited
Commission Orders Executed On All Canadian Exchanges
CANADIAN DEPARTMENT
Teletype NY 1-2270
DIRECT WIRES TO MONTREAL AND TORONTO
GOODBODY & Co.
MEMBERS NEW YORK STOCK EXCHANGE
2 BROADWAY NEW YORK
1 NORTH LA SALLE ST. CHICAGO

CANADIAN BONDS & STOCKS
DOMINION SECURITIES CORPORATION
40 Exchange Place, New York 5, N. Y.
Teletype NY 1-702-3 WHitehall 4-8161

MUNICIPAL BONDS FOR CALIFORNIA'S CIVIC IMPROVEMENT
MUNICIPAL BOND DEPARTMENT
BANK OF AMERICA
N.T. & S.A.
SAN FRANCISCO • LOS ANGELES

Digitized for FRASER
http://fraser.stlouisfed.org/

For Banks, Brokers, Dealers only

Year-End Tax-Switch Problems?

"Call HANSEATIC"

Our nationwide private wire system, reaching banks, brokers and dealers all over the country, can be of service to you.

Primary markets in over 500 issues.

Over-the-Counter experience pays . . . Just call "HANSEATIC"

New York Hanseatic Corporation

Established 1920

Associate Member American Stock Exchange

120 Broadway, New York 5

WOrth 4-2300 Teletype NY 1-40

BOSTON • CHICAGO

PHILADELPHIA • SAN FRANCISCO

Nationwide Private Wire System

Opportunities Unlimited IN JAPAN

Write for our Monthly Stock Digest, and our other reports that give you a pretty clear picture of the Japanese economy as a whole.

The Nomura Securities Co., Ltd.

61 Broadway, New York 6, N. Y.

Telephone: BOwling Green 9-0187

This is not an offer or solicitation for orders for any particular securities

A Continuing Interest in

Fischer & Porter Inc.

Richardson Co.

Stouffer Corp.

Keyes Fibre Co.

BOENNING & CO.

Established 1914

115 Broadway, New York 6, N. Y., CO 7-1200

1529 Walnut Street, Philadelphia 2, Pa., LO 8-0900, ATT Teletype PH 30

Need Hard to Find QUOTATIONS?

YOU WILL FIND THEM IN

Bank & Quotation Record

(Only $45 per year)
(Single Copy — $4)

This bound publication will give you the monthly prices on all listed securities as well as those "hard to find" Over - the - Counter quotations.

Write or call:

WILLIAM B. DANA CO.

25 Park Place

New York 7, N. Y.

REctor 2-9570

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

Russell Stover Candies, Inc.—Charles L. Betzelberger, Stern Brothers & Co., Kansas City, Mo. (Page 2)

Culligan, Inc.—Thomas J. Lynch, Jr., Manager, Research Department, Frank C. Masterson & Co., New York City. (Page 2)

CHARLES L. BETZELBERGER

Stern Brothers & Co., Kansas City, Missouri

Members Midwest Stock Exchange

Russell Stover Candies, Inc.

Russell Stover Candies was founded in 1923 and has grown to its present position as one of the largest manufacturers and distributors of fine candies in the United States. Stover manufactures more than 45 different candy items, most of which are chocolate coated and sold in boxed or packaged form. Its products are distributed through 63 company retail stores and approximately 2,200 agency accounts located in drug and department stores throughout the country. Quantity order sales are also made to business firms and other organizations.

C. L. Betzelberger

A top quality product at a reasonable price has always been the basic Stover policy. Stover uses only the finest ingredients, and close quality control is maintained throughout all phases of the manufacturing and distributing processes. Since 1953, Stover has more than doubled its sales while other publicly-owned boxed candy producers have shown only an average sales increase of 16% during the same period.

Until recently the business was controlled by three partnerships (with 26 partners). Each of Stover's three manufacturing plants located in Kansas City, Missouri; Lincoln, Nebraska; and Denver, Colorado, was controlled by a separate partnership. Under this form of control Stover had several major drawbacks: (1) it was unable to retain earnings with which to finance its growth and had to rely largely on short-term bank borrowings; and (2) a good centralized control of expenses and operations was difficult to maintain.

In May 1960 the three Russell Stover partnerships were purchased by Russell Stover Candies, Inc. The capitalization of the new corporation is composed of $3,000,000 senior notes with warrants to purchase 50,000 shares of common stock; $2,500,000 subordinated notes convertible into 250,000 shares of common stock; 200,000 shares of common stock offered to the public at $10 per share on Oct. 5, 1960; and 400,000 shares of restricted common stock. The restricted common stock is equal to the common stock in all respects except as to dividends. The restricted common cannot receive a cash payment in any given year until 65 cents a share is paid on the common stock, then each share of restricted common stock may receive one-half the dividend paid on each share of common stock. The restricted common is convertible into common stock, share for share, at the rate of 20% per year beginning in 1965.

It is anticipated that after the Christmas season the company will have sufficient earned surplus to pay a cash dividend. The common stock is expected to be initially put on a 65 cent per annum basis.

Stover's earnings have increased in each year since 1956. For the year ended Jan. 31, 1960, the partnerships earned $538,768, adjusted to the corporate form, on sales of $19,815,000. This amounts to 90 cents per share on the 600,000 shares of both classes of common stock outstanding. In the four months ended May 31, 1960, sales increased 5.7% to $6,141,000 and adusted earnings were up 68% to $184,000, from the same period last year.

The new corporation has adopted an August 31 fiscal year. Because of the seasonal nature of the candy business, losses historically have occurred during the summer months. The latest comparative figures available show for its first fiscal period, the four months ended August 31, 1960, sales increased 5.8% to $3,407,000 and the net loss was $16,843. In the same four months of 1959 the partnership loss, adjusted to make the figure directly comparable to the corporation's results, aggregated $218,487.

It appears that the upward trend of sales will continue, probably at an accelerated rate, during the next few years as the company's plants for expanding its market mature. The improved cost controls already evident should mean that higher sales will be reflected in a favorable trend of net earnings. We believe, in view of the results already achieved, that net income in the vicinity of $1.25 per share of combined common stocks is well within the bounds of possibility for the fiscal year ending Aug. 31, 1961.

In conclusion, I think the common stock of Russell Stover Candies, Inc. provides an attractive combined capital gains-income situation for the patient investor. The stock currently trading in the Over-The-Counter market at approximately $12¼ yields 5.3% on the anticipated dividend payment of 65 cents per share.

THOMAS J. LYNCH, JR.

Manager, Research Department, Frank C. Masterson & Co., New York City

Culligan, Inc.

CULLIGAN, INC., the world's leading manufacturer and distributor of household water softening and conditioning units, is my choice as "The Security I Like Best." Past growth of the company and its future outlook in a field that is relatively unsaturated, in my opinion, should recommend its consideration to those investors seeking relative stability, good income and continued growth.

Thos. J. Lynch, Jr.

Culligan's business consists mainly of the manufacture and sale of units designed to supply soft, pure water to the home. Most of us, when we turn on the water faucet, take for granted the fact that we will receive pure and wholesome water. However, recent trends in homebuilding (with the great population exodus to the suburbs) and the increasing existence of both natural and man-made impurities in our water supplies are causing a larger dependence on water conditioning. I think the field is wide open, and I feel that Culligan, with excellent products, a large franchised dealer organization and a young, aggressive and research-minded management should receive more than its share of the future market.

Culligan, Inc., successor to a business started in Northbrook, Ill. in 1936, manufactures a full line of equipment to solve every water problem in the home. The company is the creator of the service plan known as "Culligan Soft Water Service," operated by some 1,100 franchised dealers in the United States and 39 dealers in Canada. This service consists of dealers installing the equipment in the customers' homes and periodically exchanging the filtering and purification units so that they are constantly maintained at a high level of operating efficiency. A monthly charge is made by the dealer dependent on the amount of service required. This insures the homeowner a continuous trouble-free supply of soft, potable water.

Dealers are provided with assistance in the form of complete sales kits, training programs, national advertising programs and water analysis service. The Culligan Soft Water Institute, the research organization of the company, is a national authority on the study of water and its treatment. The institute analyzes water samples from all over the world, supplies information on water conditioning to Culligan dealers and to educators, governmental agencies and other interested parties, and maintains a staff of experienced scientists who speak throughout the country on water conditioning at technical society meetings and before civic organizations.

The company's financial position as of April 30, 1960 (fiscal year) was good. Current assets of $4,957,803 were about 3.2 times current liabilities of $1,567,235. Capitalization was as follows:

Long-term Debt	$1,768,049
Common stock $1 par	283,760 shs.
Class B com. stk. $1 par	297,200 shs.

Common stock and class B common stocks are identical, excepting for dividend status. The common stock is entitled to receive dividends at a rate equal to four times that paid on the management-held class B. The class B is convertible into common stock at any time on a share for share basis; however, holders of 262,298 shares of class B have agreed not to convert their class B shares except at the rate of one-third per year starting July 1, 1961.

When the company made its first public offering of stock in February of 1960 it announced its intention of declaring a quarterly dividend of 17½ cents per share on its common stock. Such dividends have been paid, with the most recent to be paid on Dec. 15.

Sales of the company have increased in each of the past six years, growing from $5,376,139 for the fiscal year ended April 30, 1955 to $10,343,803 for the fiscal year ended April 30, 1960. Net earnings in the same period increased from $194,135 to $498,813. Earnings for the year ended April 30, 1961 are expected by the com-

Continued on page 8

(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.)

Alabama & Louisiana Securities

Bought—Sold—Quoted

STEINER, ROUSE & Co.

Members New York Stock Exchange
Members American Stock Exchange

19 Rector St., New York 6, N. Y.

HAnover 2-0700 NY 1-1557

New Orleans, La.-Birmingham, Ala. Mobile, Ala.

Direct wires to our branch offices

JAPANESE STOCKS

For current information Call or write

Yamaichi Securities Company of New York, Inc.

Affiliate of Yamaichi Securities Co., Ltd. Tokyo, Japan

Brokers & Investment Bankers

111 Broadway, N. Y. 6 COrtlandt 7-5680

LAMBORN & CO., Inc.

99 WALL STREET

NEW YORK 5, N. Y.

SUGAR

Raw — Refined — Liquid

Exports—Imports—Futures

DIgby 4-2727

You give food and friendship with every $1 package you send to the world's hungry thru the CARE Food Crusade, New York

Over-the-Counter Quotation Services for 47 Years

National Quotation Bureau

Incorporated

Established 1913

46 Front Street, New York 4, N. Y.

CHICAGO SAN FRANCISCO

Digitized for FRASER
http://fraser.stlouisfed.org/

When the Securities Laws Apply to Realty Syndicates

By Edward N. Gadsby,* *Chairman, Securities and Exchange Commission, Washington, D. C.*

Real estate syndicates that should be registered are told that the SEC no longer will countenance evasion of the statutes. Mr. Gadsby lays down this strong warning with advice to issuers and syndicate managers about the fragility of intra-state exemption. Turning to the recent tax amendment, the SEC head says that since taxation of real estate investment trusts may not provide all the advantages of taxation as a partnership, the degree to which the amendment will affect the present pattern of syndication remains somewhat doubtful. He emphasizes that the tax amendment does not affect the Federal securities laws governing syndications. Reproduced at the end of Mr. Gadsby's paper is the SEC's recent release on the subject.

I understand that the island of Manhattan was the scene of one of the most famous of real estate swindles with the Indians as the victims. I also understand that the present unit value of the land of which the Dutchmen skinned the red men is the highest in the world. For many years, the fee to most of this property was closely held by individuals, trustees or institutions, corporate or charitable. Until relatively recently, there were relatively few publicly held corporations whose principal business it was to own real estate. From the time when I was in Wall Street, which is not very recently however, I recall the Equitable Building Corporation, the City Investment Company, and I might think up a few more, but not very many. *Even Webb & Knapp* was then, as I recall it, a management company not interested primarily in owning or developing real property.

Edward N. Gadsby

These observations are no longer completely valid. At the present time, the securities of many companies which do nothing but hold, develop or deal in real estate are listed on the various stock exchanges or are widely traded over-the-counter. There may be some special psychological gratification in being part owner of a soaring New York office building or of a nationally famous hotel. Furthermore, an investment in real estate equities appears to be attractive to certain types of persons, many of whom may not have enough capital to invest in a single building by themselves or may not care to put all their eggs in such a basket. Whatever the reason, in the last few years public offerings or participations in various real estate ventures have met with adequate response, and a new institution, the so-called real estate syndicate, has come to play a prominent role in the capital markets.

A real estate syndicate is nothing more nor less than a group of investors who join together and pool their funds to purchase a specific piece of real property. It may be a large group drawn from the general investing public or a relatively small group, all of the members of which are known to each other. The choice of form for the syndicate involves consideration of a number of factors, such as continuity of organization, transferability of the property, limitation of liability and, most important, the application of the income tax laws. It is for this last reason that promoters have usually sedulously avoided the corporate form and have most often cast the syndicate in the form of a limited partnership. Under this arrangement, the promoters occupy the role of general partners, and members of the investing public are admitted as limited partners. The actual management of the property is sometimes entrusted to a lessee or sub-lessee on a rental basis designed to produce the cash yield which is advertised to the public.

Almost any kind of property may be syndicated. The usual objects for such endeavors are apartment houses, office buildings, hotels and shopping centers. The opinion has been advanced that most of the major buildings in the nation will eventually come to be syndicate-owned. Moreover, as interest in real estate syndicates has spread, unimproved real estate has also been syndicated. A project recently coming to our attention involved desert land "improved" only by a spectacular growth of cactus. Obviously, in this case the object of investors was the realization of a capital gain through a long-term increase in land values rather than an immediate return on their investment.

In any consideration of real estate syndication, it should be borne in mind that participations therein are "investment contracts" and thus are securities within the meaning of the Federal securities laws. While an offering of such participations may raise problems under others of the securities acts, particularly under the provisions of the Securities Exchange Act of 1934 relating to broker-dealers, I shall restrict myself primarily to a discussion of the Securities Act of 1933. Stated briefly and generally, this statute requires that securities offered or sold through the use of the mails or by means of interstate commerce must be registered with the Commission. Registration is accomplished by filing with the Commission a registration statement containing cer-

Continued on page 24

CONTENTS

Articles and News Page

The Economic Outlook and Other Factors Imply Interest Rate Rise—C. Richard Youngdahl .... Cover

When the Securities Laws Apply to Realty Syndicates—Edward N. Gadsby 3

Union Policies Must Conform to the New Business Climate—R. Heath Larry 5

Christmas Shopping Notes—Ira U. Cobleigh 9

An Investment Program Based on Current Prospects—M. C. Fergenson 10

Future of Municipal Debt—Arthur Levitt 11

Some Thoughts on Public Policy and the Dollar Problem—John Kenneth Galbraith 12

Government's Role in Solving Our Economic Problems—Neil H. Jacoby 14

The U. S. and World Trade—A. L. Gitlow 18

Cuba: A Lesson for American Investors—Roger W. Babson 19

Regular Features

As We See It (Editorial) .... Cover

Bank and Insurance Stocks 16

Businessman's Bookshelf 44

Coming Events in the Investment Field 44

Dealer-Broker Investment Recommendations 8

Einzig: "Ending Impasse With Bonn on Paying U. S. Army Costs" 13

From Washington Ahead of the News—Carlisle Bargeron 15

Indications of Current Business Activity 30

Mutual Funds 20

NSTA Notes 43

News About Banks and Bankers 22

Observations—A. Wilfred May 4

Our Reporter on Governments 21

Public Utility Securities 28

Securities Now in Registration 32

Prospective Security Offerings 41

Security Salesman's Corner 16

The Market . . . and You—By Wallace Streete 17

The Security I Like Best 2

The State of Trade and Industry 7

Tax-Exempt Bond Market—George L. Hamilton 6

Washington and You 44

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, President
WILLIAM DANA SEIBERT, Treasurer
GEORGE J. MORRISSEY, Editor
Thursday, December 1, 1960

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

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

Copyright 1960 by William B. Dana Company

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

Subscription Rates

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

Other Publications

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

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

For many years we have specialized in **PREFERRED STOCKS**

Spencer Trask & Co.
Founded 1868
Members New York Stock Exchange
25 BROAD ST., NEW YORK 4, N. Y.
TELEPHONE HAnover 2-4300 TELETYPE NY 1-5
Albany Boston Chicago Glens Falls
Nashville Newark Schenectady Worcester

B. S. LICHTENSTEIN AND COMPANY
THE THREEPENNY STOCK
—even a one penny gets attention here. We'll buy it if the paper is good!
Obsolete Securities Dept.
99 WALL STREET, NEW YORK
Telephone: WHitehall 4-6551

GINN & COMPANY*
FEDERAL RESOURCES
ACOUSTICA ASSOCIATES
UNITED BOWLING CENTERS
BAIRD-ATOMIC
**Prospectus on request*
J. F. Reilly & Co., Inc.
39 Broadway, New York 5
DIgby 4-4970

Ginn*
G. C. Dewey
Allegri-Tech*
BBM Photocopy
Amer. Int'l Bowling
**Prospectus on request*
SINGER, BEAN & MACKIE, INC.
HA 2-9000 40 Exchange Place, N. Y.
Teletype NY 1-1825 & 1-4844
Direct Wires to
Chicago Cleveland Dallas
Los Angeles Philadelphia
San Francisco St. Louis

Glickman Corp.
Tenney Corp.
Futterman Corp.
Wm V. FRANKEL & CO.
INCORPORATED
39 BROADWAY, NEW YORK 6
WHitehall 3-6633
Teletype NY 1-4040 & 1-3540

Digitized for FRASER
http://fraser.stlouisfed.org/

OBSERVATIONS...

BY A. WILFRED MAY

A MARKET-TIMING BIBLE

Now we have a real *timing* Bible containing under a single cover all the *technical tools* usable for "beating-the-market." ("A Strategy of Daily Stock Market Timing for Maximum Profit," by Joseph E. Granville; 289 pp.; Prentice-Hall; Englewood Cliffs, New Jersey, $12.50).

The volume's completeness is both qualitative and quantitative (the 289 pages of text, plus 9 constituting a preface and table of contents, are sized 8½ x 10¾ inches).

From the subtitle, "The Granville System That Indicates Daily Market Action Formulas and Buy, Hold and Sell Signals," we turn to the following keynote statements in the preface: "Developed by Joseph E. Granville, writer of the famous Hutton Daily Market Wire, the Granville System . . . sharpens stock market forecasting to a point never achieved before; relies on day-to-day, intermediate, and long-range market indicators as well as on a broad base of factors affecting stock market performance . . . enables you to spot daily market indicators right in the financial section of your newspaper. It decodes for you 'what the market is saying' [a bit of witchcraft voices?] . . . thus tipping its hand as to what it is likely to do the next day. . . . Its long-range market indicators serve as general tools for forecasting market trends over coming weeks and months. Together with day-to-day indicators, they signal imminent up and down price movements, providing you with a timing formula needed for profitable investment moves. . . . You're shown how to weigh and correlate these indicators in order to arrive at a *daily market action formula,* which, in turn, 'flashes' [*sic*] its BUY, HOLD and SELL signals . . . provides you with helpful signs [*sic*] when the market is expected to top off or hit a low just before a rise. And you will learn that the natural law of markets is so fixed that the stock market provides a daily forecast capable of producing maximum profits for those who will open their ears and listen to what the market says." [Voices again?]

A Forecasting Calendar As An Extra Bonus

But, not even is this all you get. "Another valuable feature of the Granville System is Granville's unique 'Trading Calendar' device—an investor's almanac of various seasons of the year when stocks are best bought (or sold). You are shown how to build a Trading Calendar based on your personal portfolio so you will know when to buy or sell for the greatest prospects of profit."

He cites each month's past performance, to add up a composite year, which will allegedly uncover repeating areas of seasonal changes and weakness.

Specified here also are *"Four Magic Days to Watch";* namely the 17th day after each quarter. On these "pivot" dates you can rely as being near the occurrence of a decisive change in the market's direction.

Quite a contrast with the simple system "How-To" books who rely on one or two pet "signals," the most popular of which merely requires understanding of the formulation of a dancer's market orders despatched while pirouetting around-the-world.

Our present author sets for himself an overall three-fold purpose: (1) To identify the market information to be looked for; (2) To interpret that information after its acquisition, and (3) How to act on its interpretation most profitably. The result, it is claimed, will enable you to know where the probable "direction of the market is pointed."

A Wealth of Tools

Tools to accomplish these joyous results, the author provides in the fullest measure. He lists no less than 55 "Basic Day-to-Day Indicators." We cite a few of these to exemplify their kind and range.

"Overdueness, No. 19—Five or six consecutive daily advances or more in the Dow-Jones Industrial Average heighten the probability of a quick downside reversal."

"Gold Indicator, No. 31—When the gold group picks up strength across the board, then the market usually follows soon afterward with a reaction."

"The Three-Day Rule, No. 34—There are seldom ever more than three consecutive sharp daily declines. Either the fourth day sees a reduced decline or a sharp rebound."

"Counter-cyclical indicator, No. 38—Persistent weakness in counter-cyclical stocks such as American Tobacco, General Foods, American, Sears, Woolworth, etc., often coincides with or signals a healthy market uptrend ahead."

"The General Motors Indicator, No. 46 — General Motors has a distinct tendency to top out ahead of the general market and therefore, as long as this stock is advancing, the general current trend of the market is healthy and is expected to continue rising."

Next the author supplies us (in 48 pages) with explanation of the 55 Indicator-Points "In Action"; that is, in the context of market performance.

"Grey Area" Indicators

Then we are supplied with indicators which I would call in the "grey area" between the *technical* and the *fundamental* categories. These include the effect of tax-selling; bucking company reports (i. e., selling on a good statement), the interest rate and Treasury refundings.

In this area, which departs from close adherence to the rule that "the ticker tells its own story," are factors in the debunking of which the author is happily at his best. Included here is the secondary offering, merger activity, and the stock split. "Run through any book of stock price charts and you will see the frequency with which stock splits coincide with important price peaks. This can be one of the most profitable of all market observations for traders and investors alike."

In common with many technicians, Mr. Granville engages in some self-contradictions in his professed strict exclusive adherence to "the market" approach.

Undermining "The First Commandment"

For example, on the one hand, he states, wisely: "Stock dividends, stock splits, and secondary offerings are all forms of stock *distribution.* Occurring late in a bull market, the stock is going from strong to weak hands. When secondary offerings start appearing in the Dow-Jones stocks, then that is definite evidence that the bull market is over because the blue chip issues are the last to fall."

On the other hand, the author insists, *basically,* as do most all technicians, on that "First Commandment," that it is the market's daily action that supplies the key to its future. "There it is," he says, "double your money every year in the market (less 25% capital gains tax). Of course it sounds too good to be true. It isn't that 99% of the people can't do it, but is because 99% of the people WON'T DO IT. Why? Simply because they do not know how to read the sign language of the market [emphasis as quoted]. Even among the comparatively few who do possess this talent there are many who refuse to heed what the market may clearly be telling them to do."

Incidentally, the above quoted reference, parenthetical, to *tax* on profitable market operations, highlights the common tendency of the "how-to" literature to omit, or at least, play-down this beastly profits off-set. (We have previously suggested a sequel to a current best-seller to be titled, 'How I Made a Million-and-a-Half in the Stock Market," *by the Internal Revenue Department.)* We are afraid that Mr. Granville's reference to the tax bill at only 25% is insufficient, in failing to take into account (1) short-term, under six-months, profits; and (2) profits from the short-selling which he recommends, which are always taxed at the full income rates, the latter irrespective of their age.

A $64 Question

This leads us to ask our present author as we do of others: how are the technical, semi-technical and fundamental factors to be reconciled in his working decisions? Sometimes successfully by ear; but more often, we fear, resulting in the "investor" falling between the two stools.

Relying on "The Greater Fools"

We have, in previous columns, expounded on "Greater Fool theory"; that is, the practice by market forecasters of unwittingly assuming that after you have bought a stock, there will be someone around, less knowledgeable than you, to take it off your hands at a higher price—and vice versa in the case of a speculative sale. In analyzing Granville's philosophy, we feel that it embraces a "Limited Fool" concept; in assuming that his "Signals" will be detected by his readers just a little ahead of "the crowd."

Imagery Again

In his engagement in *imagery,* Mr. Granville also falls in with the practice of the "technical" fraternity. "Like an amateur boxer, the market telegraphs its punches" is one of his section captions.

In his best seller, "How I Made $2,000,000 in the Stock Market," the dancer-author, Nicolas Darvas, transfers the fluctuation of stocks thus: "Before a dancer leaps into the air he goes into a crouch to set himself for the spring. . . . A stock in an upward trend that reacted to 41 after reaching 50, was like a dancer crouching, ready for the spring-up."*

*cf. "A Dancer Gives the Answer(?)", "Observations," Aug. 25, 1960.

Moving over to the alphabet, Mr. Granville sees a *"W Pattern."* "By the very shape of the letter" he states, "we can see that the double bottom formation traces a letter *W*. The middle leg of the *W* represents a temporary level of supply (upside resistance) and when the right leg of the *W* exceeds the middle leg it constitutes a very important buy spot."

"Calling a Spade"

The author is to be commended in stating without equivocation, his adherence to the *speculator* role; in lieu of hypocritical claims to *investor* sanctity. This, as well as a further instance of the above-mentioned purist-technical plea, is attested to in the following introductory paragraph: "Before getting into the book any further, try to clear your mind completely from an orthodox overemphasis of the importance of earnings, management, what you read in the newspapers about so and so company's president putting forth an opinion about the business outlook, inflation, etc. You buy stocks because you would like to see them make you a profit. In order to do this successfully over and over, there is only one reliable source of information to guide you, *and that is the market itself* [emphasis as quoted]. The market story is told in *technical* terms of volume, price averages, highs and lows, support levels, resistance levels, quality of leadership and many other things which can readily be grasped. The beauty of it all is that there is nothing difficult about it. It is merely a case of interpreting 'sign language' in terms of apples and oranges. . . . 'Anything the market says is 'technical' but again I must repeat — 'technical *does not mean difficult.'* The technical approach is the only key the market provides to correct timing and *TIMING IS EVERYTHING."*

As our readers well know, *relying on long-term value factors,* we fundamentally disagree with this philosophy. Nevertheless, we strongly commend its clear and forthright expression, as proving a basis, including perhaps a point of departure, for re-examining and re-orienting your own permanent investing attitude.

NASD Dist. 12 Appoints Lemkau

Hudson B. Lemkau, Morgan Stanley & Co., has been elected a governor of the National Association of Securities Dealers, Inc., representing District No. 12, which consists of New York, New Jersey and Connecticut, effective Jan. 1.

Hudson B. Lemkau

Elected members of the district committee for three-year terms, beginning in March, 1961, are James F. Keresey, Baker, Weeks & Co.; H. Theodore Freeland, American Securities Corp.; Robert M. Gardiner, Reynolds & Co.; Allen C. Eustis, Jr., Spencer Trask & Co., and Victor M. Miller, G. A. Saxton & Co., Inc.

Oscar Dube Branch

MONTREAL, Que.—Oscar Dube & Cie Inc. has opened a branch office at 339 Craig Street East, under the management of Pierre M. Cinq-Mars.

With Schirmer, Atherton

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Leroy H. Myrick has rejoined Schirmer, Atherton & Co., 50 Congress St., members of the New York and Boston Stock Exchanges. Mr. Myrick, who has been in the investment business for many years, has recently been with du Pont, Homsey & Co.

Trading in Foreign Securities?

GERMAN - DUTCH - ENGLISH—you name it

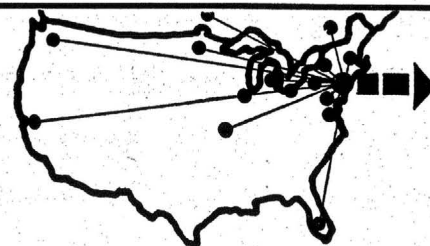
With direct cable connections to offices in—

TORONTO GENEVA
MONTREAL HONG KONG
PARIS PANAMA
ROME LONDON

we feel particularly well-qualified to provide help and information when it comes to buying or selling foreign securities.

For a direct call to our foreign securities trading desk, just dial—WHitehall 4-4732.

Merrill Lynch, Pierce, Fenner & Smith
INCORPORATED
70 PINE STREET NEW YORK 5, N. Y.
132 offices in U. S., Canada and abroad



Correspondents in principal cities throughout the United States and Canada

UNDERWRITERS AND DISTRIBUTORS OF INVESTMENT SECURITIES

DOMINICK & DOMINICK
Members New York, American & Toronto Stock Exchanges
14 WALL STREET NEW YORK

igitized for FRASER
tp://fraser.stlouisfed.org/

Union Policies Must Conform To the New Business Climate

By R. Heath Larry,* *Administrative Vice-President-Labor Relations, United States Steel Corporation*

Mr. Larry writes on the realities of today's labor-management relations and on the crucial necessity of adopting changes he recommends if we are to face mounting competitive pressures and cold-war problems. "Complete union security is a luxury which we cannot afford," he says, and adds "there is so much community of interest between employers and employees and their representatives that we simply cannot let our free society flounder over our inability to resolve our differences." Mr. Larry takes note of efforts to create national advisory boards or tripartite councils and explains why they are as potentially dangerous to our free market society as compulsory arbitration which unionism, too, opposes. The author calls for a return to bargaining at separate competitive unit-by-unit levels which he terms the heart of our free enterprise system; describes communications with employees a still underdeveloped art; says management must relearn that a union-represented employee is still an employee and should be treated as such; and states economic facts taught to employees is not anti-union.

There is an old aphorism, either attributable to or reported by H. L. Mencken to the effect that: "There is nothing new save that which we have forgotten." I am sure that someone like Captain Kittinger, who plummeted nearly 20 miles to earth, in a little over 13 minutes, would not agree; nor would those who have pushed back the frontiers of scientific knowledge recently by bouncing electrical waves against "Echo," the space balloon; nor those who have projected a package of instruments into space to circle the globe every 94 minutes and be returned to their hands for examination a few days later.

R. Heath Larry

Yet in the field of human relations, the aphorism seems more apt than we would like to admit. We seem to be having infinitely more trouble in making tangible progress in this area than in the scientific area; and the basic problems, although they reappear in a variety of new trappings, seem to have roots in antiquity. We keep having to learn old lessons. The French have a saying to the effect that the more a thing changes, the more it is the same thing. It seems quite appropriate in this field.

A Brief Look Backward

Possibly, therefore, a brief look backward may be in order before we go on to think in terms of developments for the future.

In suggesting that we do this, I don't want you to think I'm like the mythical bird which was said to fly backwards because it was more concerned with knowing where it had been than with where it was going, because my interest, like yours, lies not in yesterday, except as lessons may be learned from it, but in the problems of today and tomorrow—and in what we must do to be prepared for them.

We are, I think, at a particularly appropriate time for a brief backward look, because it has been exactly a quarter of a century since labor relations in America began a new chapter. In 1935, just 25 years ago, the Wagner Act first became law; recently, the National Labor Relations Board celebrated its Silver Anniversary.

That seems like a long time ago. In 1935, Jean Harlow was at her prime. Mrs. Wallace Warfield Simpson was not yet the Duchess of Windsor: Men's bathing suits mostly were still bathing suits, complete with tops; the Polka Dot Bikini hadn't been heard of yet—although it may have been dreamed of. The organization man was yet to be created in the minds of playwrights and the egghead was yet to be hatched. And the great Depression was not quite over, at least by the definition of one magazine writer of the period who observed that it would not be over so far as he was concerned until United States Steel Corporation resumed the full dividend on its preferred stock—an event which did not occur until the following year.

But although 1935 did not mark the end of the Depression, it did mark the end of an era, for union-management relations were thereafter to occur in a different context. *Time* magazine for July 15, 1935, noted the advent of the new law in these words:

"Without a constitutional quiver in his freckled right hand, Franklin Roosevelt last week signed the Labor Disputes Bill. Then, lighting a cigarette, he leaned back and dictated a statement to the public. 'This act,' the President said, 'defines as a part of our substantive law, the right of self-organization of employees in industry. . . . It may eventually eliminate a major cause of labor disputes, but it will not stop all labor disputes. Accepted by labor, management, and the public with a sense of sober responsibility and of willing cooperation, however, it should serve as an important step toward the achievement of just and peaceful labor relations in industry'."

A little later on, one of the same magazine's writers wryly observed "Either the President did not believe the virtually unanimous opinion of labor observers, or he did not care that the enactment of the Labor Disputes Bill would be followed by a series of strikes as the AFL sets out to attempt to unionize the Country."

Turbulent Years After 1935

The years following 1935 were turbulent years indeed as union organizers swarmed into major industrial centers throughout the nation.

What might have happened if the extension of labor organization had manifested no more than a voluntary exercise of the rights of employees to engage in self-organization, which is what the law on its face purported to protect, is as difficult to guess at the end of this quarter century, as it is to guess what might have been if only one more Supreme Court Justice had cast his vote with the four who thought the new law to be unconstitutional.

But the Court did find the law to be constitutional, and organization did proceed, not alone as a result of voluntary exercise by employees of their right to organize, but with the help of wild promises, boycotts, forceful picketing, and outright violence. Unions converted the right to self-organization into the right to organize—and proceeded as though legal acceptability were the equivalent of moral necessity.

I do not deny that labor union ranks would have grown without the strength of special privilege in the hands of the organizers. It may be admitted, I think, that under purely voluntary decision alone, labor union membership would have risen in the Thirties. It would have risen as a result of the spreading notion that some magic called "collective bargaining" could make possible the payment of a wage rate higher than the market would permit without creating unemployment for a part of the working force.

And there is no denying that the labor union idea is legitimately attractive to many employees for emotional and other reasons apart from the so-called economic interest. But as far as I know, practically all impartial labor-management historians of the period agree that the significant expansion of the labor movement in the first half of the last quarter-century resulted in substantial measure from the use by labor organizations of special privileges—those then available from within the law—and those assumed outside of the law in light of an apathetic attitude toward local law enforcement—privileges never before exercised by or tolerated in the hands of private organizations in America.

As a result, and with some notable assists from a pro-union administration during a period of war-time controls, by mid-way through this 25-year period, union membership had increased fourfold and reached a total practically equal to the percentage of the work force which it has today. More important, unions had acquired a power which began to make thoughtful people everywhere wonder whether the imbalance, once thought to be in favor of employers, had not been redressed so far that not only employers, but employees, as well, needed some legal protections against the forcible exercise of unionism. The result was, of course, the enactment of the Taft-Hartley Amendments of '47. And the concern continues to grow, as was manifest again in 1959 when Congress enacted the Landrum-Griffin law.

The Wagner Act's Partiality

To be sure, the concept of government intervention in the collective bargaining process as contained in the original Wagner Act was, in one respect, somewhat limited. The law did not proceed to tell the parties in detail what they should bargain about, nor how their disagreements should be resolved.

It did, however, do much more than establish a framework of procedures for the selection by employees of a bargaining representative. The law made the representative selected the sole representative for all of the employees in the bargaining unit, and this was exceedingly important from the standpoint of union control and the growth of union power. With the exclusive representative established, the law then proceeded to establish that bargaining had to occur, and that agreement had to be reached with this exclusive representative. Having then guaranteed the right to strike, and established a long list of unfair practices for employers, the parties were turned loose to their own devices.

But the employer did not share, in any way, the exclusive control over his market that the union representative possessed over the employees.

The theory of the law, if there was one, seemed to have been to effect a "balance of power" between labor and management. These two parties were deemed to be in conflict over the division of the proceeds of industry—portions of which both could rightfully claim. And the law further seemed to assume that, in this division of proceeds, employees had always been at some handicap and had never received their just share. Completely forgotten was the simple fact of life that neither party had any continuous claim to these proceeds without earning it anew each day in the market. Forgotten was the fact that both employees and employers had to cooperate in serving customers or, failing that, to lose their business and their jobs.

What's Happened to Wages?

While it seems to have been the theory that an employer can somehow guarantee a wage and guarantee it at a rate reached by bargaining, the fact is that in the final analysis it is the customers of a business who determine the wage level of employees—by their willingness to purchase the goods produced at prices which make such wages possible.

Now some may say that the history of the last 25 years shows this to have been a naive theory indeed. As a matter of fact, some might properly wonder whether this Utopian result was ever really a sincere expectation of those who framed the Act. In this connection, let me refresh one's recollection of one of the paragraphs in the statement of Findings and Policies as set forth at the outset of the Wagner Act and carried forward by the Taft-Hartley Amendments:

"The inequality of bargaining power between employees who do not possess full freedom of asso-

Continued on page 26

We maintain active trading markets in:

Soroban Engineering
Class "A" Stock

Scott-Mattson Farms
Class "A" Stock

★ ★ ★

R. S. DICKSON & COMPANY
INCORPORATED

Members Midwest Stock Exchange

CHARLOTTE NEW YORK ATLANTA CHICAGO
RALEIGH COLUMBIA GREENVILLE
MIAMI JACKSONVILLE GREENSBORO RICHMOND

Registered Representatives:

William F. Martin, Manager
Walter H. Babb
Truman P. Ball
Clarence E. Baker
B. A. Uline
Miller Uline

We are pleased to announce that the securities business of

W. F. MARTIN, INC.
Elkhart, Indiana

will now be conducted by

CRUTTENDEN, PODESTA & CO.

WILLIAM F. MARTIN
will manage this new branch office—our fourth in Indiana, and our 19th nationwide

New York San Francisco
Denver Omaha Lincoln
St. Louis St. Paul
Cedar Rapids Milwaukee
Madison Indianapolis
Fort Wayne Gary Elkhart
Grand Rapids Muskegon
Fremont Chicago Heights

CRUTTENDEN, PODESTA & CO.
Members New York Stock Exchange and Other Principal Exchanges
209 South LaSalle St., Chicago 4, Illinois
In Elkhart: 214 South Main St., Telephone: JAckson 3-2375

November 29, 1960

Digitized for FRASER
http://fraser.stlouisfed.org/

TAX-EXEMPT BOND MARKET

BY GEORGE L. HAMILTON*

With the advent of the Thanksgiving holiday last week, plus the 49th Annual Convention of the Investment Bankers Association of America this week, there is not too much in the way of noteworthy news to report from the tax-exempt bond field. While the municipal market did not cease to exist this week when the major-domos of the fraternity journeyed to Florida to renew old acquaintances and discuss financial problems, fate in the form of a light new issue calendar had more to do with the quiet market than the absence of municipal bond men.

Yield Index Unchanged

The tax-exempt bond market held steady during the past week, with some slight decline in the supply of bonds. For the first time in five weeks the weekly average, according to the *Commercial and Financial Chronicle's* 20 year high grade bond index, has stopped moving down in yield and was unchanged from last week at 3.2377%.

The dollar quoted state and municipal revenue issues, often a barometer of what is taking place in the municipal market, are down fractionally from last week with losses limited to one-half point. The *Smith, Barney & Company Turnpike Index* reflects this slight price easing as on Nov. 17, it showed a 3.85% average yield, compared with a level of 3.87% on Nov. 23 the last reporting date. Trading has been quiet for this time of the year for these issues and there has been no undue pressure on these bonds.

The *Blue List* float of available municipals has dropped to $367,434,000 as of yesterday morning, as against last week's total (Nov. 23) of $378,108,000. This amount of bonds is not unduly large and, with a modest calendar of new issues presently up for sale, does not pose an important market negative.

Recent Awards

During the week past there was a relatively light volume of new municipal issues. The few, more important, new issues will be briefly noted. On Monday, Nov. 28, $1,400,000 Dearborn Township School District No. 4, Michigan serial (1963-1986) bonds were sold to the group headed by Halsey, Stuart & Co. and including Blyth & Co., Eastman Dillon, Union Securities & Co., and Shearson, Hammill & Co. The maturities offered were scaled from 2.50% to 4.20%. Current balance is reported at $590,000.

This week's largest and most important issue came to market on Tuesday. The Alabama Highway Authority awarded $15,000,000 highway revenue (1962-1980) serial bonds to the group headed by The First Boston Corp. after very close bidding. Included as majors in this account are Eastman Dillon, Union Securities & Co., Shields & Co., White, Weld & Co., Dominick & Dominick, and Wertheim & Co. Offering yields ran from a 1.90% to 3.85% for this well secured and relatively short term issue. This issue generated good investor demand among investors, the balance at press time being just under $5,900,000.

Also on Tuesday, the Capital of Puerto Rico awarded $5,000,000 serial (1961-1980) public improvement bonds to a Halsey, Stuart & Co. group at a net interest cost of 3.91%. Included as majors along with Halsey, Stuart & Co. were Smith, Barney & Co., Harriman Ripley & Co., and John Nuveen & Co. Scaled from 1.90% to 4.00% the issue received only a moderate reception, with the balance at this writing being $3,250,000. This issue constitutes a general obligation with the full faith, credit and unlimited taxing power of the capital of Puerto Rico pledged to the principal and interest of this issue. Also, the bonds are exempt under present laws from all state and Federal income taxes.

Another of Tuesday's sales involved $2,215,000 North Hempstead, New York, Union Free School District No. 9 serial (1961-1990) bonds, for which the Chemical Bank New York Trust Co., Chase Manhattan Bank group was the high bidder. Scaled from 1.80% to 3.90%, $1,185,000 remained in group yesterday morning. Albuquerque, New Mexico awarded $4,500,000 serial (1962-1981) bonds on Tuesday to the group managed by The First National City Bank of New York, Chemical Bank New York Trust Co., Harris Trust and Savings Bank, Merrill Lynch, Pierce, Fenner & Smith Inc., as well as others. Scaled to yield 1.90% to 3.90% for the 1978 maturity, the current balance is $1,610,000. The 1979 to 1981 maturity carried 1/10 of 1% coupon and were reoffered at a 4.70% yield.

Wednesday's (Nov. 30) largest new issue, $14,500,000 Florida Development Commission, Hillsborough County Road Revenue serial (1964-1990) bonds, was sold to the Smith, Barney & Co., Blyth & Co. group. Scaled to yield from 2.75% to 4.25%, the issue seems well priced. Initial orders were substantial but balances are not available as we go to press. This sale completes the new issue bidding for this week.

Tax Trading Active

Trading, an important phase of all markets including tax-exempts, has been more active than usual. As we approach the end of the year, much emphasis is placed on the importance of so-called "switches" for tax purposes. With the stock market at a lower level than in recent years, gains in stocks are not as large as usual, but much switching to take advantage of our tax laws is taking place. While in the past these "switches" were done on a much larger scale, it is worthy of note that many are still taking place.

Large privately negotiated issues are still few and far between. Yesterday morning an issue of $6,000,000 Port of Kalama, Washington Grain Elevator revenue bonds were offered to the public. This issue was negotiated and purchased by a syndicate headed by Foster & Marshall of Seattle. Included in the underwriting group are White, Weld & Co., William Blair & Co., Dominick & Dominick, Schwabacher & Co., Boettcher & Co., Stern Brothers & Co., and Townsend, Dabney & Tyson. The bonds mature serially 1962 to 1980 and 1990, and are scaled to yield from 2.50 to 4.75%. The security consists of a 30 year lease between the district and the North Pacific Grain Growers Inc. providing for semi-annual lease-rental payments sufficient to pay principal and interest on the bonds. Initial reception by investors indicates a highly successful underwriting.

Looking Ahead

The calendar of scheduled new issues is only moderate for this season of the year, totaling about $360,000,000. The only sizable issues up for sale during the coming week are $7,800,000 Peoria County, Illinois bonds scheduled for Dec. 5; $12,500,000 State of Texas bonds up for sale the same day; $8,530,000 Detroit, Michigan bonds to be offered Dec. 6; $10,000,000 San Diego, California school bonds also for sale Dec. 6; and $12,500,000 Maryland State Roads Commission bonds for Dec. 7. The largest issue on the calendar continues to be $97,165,000 Public Housing Authority bonds for sale Dec. 14.

It would appear that these issues, as well as many less important ones scheduled during this period, will appeal to institutional and other investors. However, at the current market level, dealers might well note that investors are wary and extremely sensitive to upward price revision, although they may not have entirely satisfied their current tax-exempt bond requirements.

*Pinch-hitting for Donald Mackey.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.60%	3.45%
Connecticut (State)	3¾%	1980-1982	3.30%	3.15%
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	3.65%	3.50%
Baltimore, Md.	3¼%	1980	3.40%	3.25%
Cincinnati, Ohio	3½%	1980	3.20%	3.05%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.65%	3.50%
New York City, N. Y.	3%	1980	3.60%	3.55%

November 30, 1960 Index=3.2377%

Opens Branch Office

THREE RIVERS, Que. — Oscar Dube & Cie Inc. has opened a branch office at 110-A Des Forges Street under the management of Dorien Brunelle.

New Rennie Branch

MONTREAL, Canada—G. H. Rennie & Co. Limited has opened a branch office at 635 Dorchester Boulevard, West, under the direction of P. Archie Shee.

Rennie Branch in Quebec

QUEBEC, QUE., Canada — G. H. Rennie & Co. Limited has opened a branch office at 20 St. Jean St. under the management of J. M. Cote.

C. E. Bush Co. Formed

DENVER, Colo.—C. E. Bush & Company has been formed with offices in the Security Building to engage in a securities business. Officers are Charles E. Bush, President and Treasurer, and William B. Arnold, Vice-President and Secretary. Mr. Bush was formerly with Walston & Co., Inc., Dempsey-Tegeler & Co. and Amos C. Sudler & Co.

Opens Branch Office

TALLAHASSEE, Fla. — Security Associates, Inc. has opened a branch office at 207 Park Avenue, under the management of Harold E. Bergman.

Form Wahlgren Associates

CHICAGO, Ill. — Wahlgren and Associates, Inc. is conducting a securities business from offices at 37 South Wabash Avenue. Roy M. Wahlgren is a principal of the firm.

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.

Issuer	Amount	Maturity	Hour
Dec. 1 (Thursday)			
Hempstead U. F. S. D. No. 9, N. Y.	5,350,000	1961-1987	11:00 a.m.
Indianapolis School City, Ind.	1,040,000	1962-1981	12:30 p.m.
Raton, New Mexico	1,350,000	1962-1981	2:00 p.m.
Dec. 2 (Friday)			
Adams State College of Colorado	1,330,000	1963-2000	9:30 a.m.
Delaware (State of)	3,299,000	1961-1980	11:00 a.m.
Dec. 5 (Monday)			
Peoria County Sch. Dist. No. 150, Illinois	7,800,000	1961-1980	8:00 p.m.
Quincy, Illinois	1,810,000	1962-1973	8:00 p.m.
Richardson Indep. Sch. Dist., Texas	2,235,000	1962-1991	8:00 p.m.
Texas (State of)	12,500,000	1962-1992	10:00 a.m.
Dec. 6 (Tuesday)			
Detroit, Mich.	8,530,000	1963-1985	10:30 a.m.
Florida State Board of Education, Florida	2,825,000	1962-1981	9:30 a.m.
Granite School District, Utah	1,050,000	1963-1968	6:30 p.m.
Hempstead Union Free Sch. Dist. No. 2, N. Y.	2,080,000	1961-1988	3:30 p.m.
Knoxville, Tenn.	1,950,000	1961-1985	Noon
Nashville, Tenn.	5,900,000	1961-1997	7:30 p.m.
Riverside Parking District No. 1, Calif.	1,650,000	1962-1986	9:30 a.m.
San Diego Unified Sch. Dist., Calif.	10,000,000	1963-1982	10:30 a.m.
South Bend, Indiana	1,940,000	1961-1972	1:00 p.m.
Surry County, N. C.	2,000,000	1962-1986	11:00 a.m.
West Virginia (State of)	2,000,000	1961-1985	1:00 p.m.
Dec. 7 (Wednesday)			
Davenport, Iowa	1,065,000	1963-1975	7:45 p.m.
Davison Sch. Dist., Mich.	1,650,000	1962-1990	8:00 p.m.
Fairfax County, Virginia	8,500,000	1962-1988	Noon
Maryland State Roads Commission, Maryland	12,500,000	1962-1976	11:00 a.m.
Pittsfield, Massachusetts	4,500,000	1961-1980	11:00 a.m.
Saddle Brook Township Sch. Dist., New Jersey	1,190,000	1961-1981	8:00 p.m.
Virginia Polytechnic Institute, Va.	1,000,000	1962-1981	Noon
Wilmington, Delaware	7,050,000	1961-1985	11:00 a.m.
Dec. 8 (Thursday)			
Concord College, State Board of Education, West Virginia	1,648,000	1962-1989	2:00 p.m.
East Lansing, Mich.	2,500,000	1962-1995	8:00 p.m.
Otter Creek School Building Corp., Indiana	1,650,000	1963-1990	1:00 p.m.
Dec. 9 (Friday)			
Abilene Ind. Sch. Dist., Texas	1,750,000	1962-1985	1:30 p.m.
Dec. 12 (Monday)			
Boise Ind. Sch. Dist., Idaho	2,150,000	1962-1980	Noon
Carmel Unified Sch. Dist., Calif.	1,995,000	1962-1981	11:00 a.m.
Madison Township Local School District, Ohio	1,000,000	1962-1981	Noon
Dec. 13 (Tuesday)			
Coronado Unified Sch. Dist., Calif.	1,250,000	1962-1986	10:30 a.m.
Dade County, Florida	12,000,000	1961-1990	11:00 a.m.
Durham County, North Carolina	3,500,000	1962-1984	11:00 a.m.
Los Angeles County Hospital Dist. California	7,000,000		
South Bay Union High Sch. Dist., Calif.	1,000,000	1962-1981	9:00 a.m.
Whitewater Joint Sch. Dist. No. 1, Wisconsin	1,200,000	1961-1977	2:00 p.m.
Dec. 14 (Wednesday)			
East Baton Rouge Parish Sewer District, La.	7,000,000	1962-1991	6:00 p.m.
Michigan (State of)	25,000,000		
Marion, Virginia	1,000,000	1962-1981	Noon
Pierce County, Clover Park Sch. Dist., No. 400, Washington	1,000,000	1963-1981	11:00 a.m.
Public Housing Administration, Washington, D. C.	97,615,000	1961-2000	Noon
Union County, N. J.	1,820,000	1961-1975	11:00 a.m.
Dec. 15 (Thursday)			
*Oklahoma City Improve. Author., Oklahoma	45,000,000		

*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.

Issuer	Amount	Maturity	Hour
Dec. 17 (Saturday)			
University of Nevada, Nev.	2,012,000	1962-1999	11:00 a.m.
Dec. 20 (Tuesday)			
Dover City School District, Ohio	1,876,000		
Dec. 21 (Wednesday)			
Richmond, Virginia	7,580,000	1962-1981	
State Colleges of California	14,173,000	1962-1998	10:00 a.m.
Jan. 3 (Tuesday)			
Cerritos Junior College District, Calif.	2,300,000	1962-1981	9:00 a.m.
Jan. 10 (Tuesday)			
Los Angeles Sch. Dist., Calif.	30,000,000		
Jan. 12 (Thursday)			
Jackson County, Mich.	1,750,000		10:00 a.m.
March 8 (Wednesday)			
Los Angeles Dept. of Water and Power, Calif.	12,000,000		

Digitized for FRASER
http://fraser.stlouisfed.org/

The State of TRADE and INDUSTRY

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

Business activity in October continued to reflect a mixed picture with industrial employment and sales showing diverse tendencies, according to the monthly review of economic developments regularly presented in the Commerce Department's *Survey of Current Business*, monthly publication prepared by the Office of Business Economics.

Summed up in the October personal income figure — the broadest available monthly gauge of business developments — the month brought a fractional rise. Employment continued to edge downward from the mid-summer high but the workweek was up a little from September. Retail buying was higher, paced by a quickening of activity at auto showrooms and general merchandise stores. A principal readjustment feature of the recent business picture continues to be the reduction in demands for goods for inventory purposes, principally materials, according to the OBE analysis.

Industrial output in October, as measured by the Federal Reserve Board index, remained at 107% of the 1959 average, unchanged from September by reason of the rise in auto production. Steel mill operations in mid-November were still low as steel consumers continued to use up inventories.

Normally there is some pickup in the number of workers employed by industrial and commercial firms from September to October. This year the seasonal expansion did not materialize and at a seasonally adjusted total of about 53.1 million, October nonfarm employment was 100,000 under the preceding month with all the decline centered in manufacturing. In this broad grouping, employment by motor vehicle firms was up a little, but elsewhere most major groups showed further small reductions.

Compared with the high point reached in July, nonfarm employment in October was 300,000 lower. Government employment has moved steadily up in 1960, after making allowance for the temporary impact associated with the Federal Decennial Census. The gain in government employment from mid-summer to October came to 140,000, mainly in State and local payrolls. In private establishments, by way of contrast, employment has tended lower since July with the total reduction amounting to 450,000. Two-thirds of this was accounted for by manufacturing. In private nonmanufacturing firms, reductions have been small but fairly general.

Income Flow Sustained

The softening employment tendency of recent months has been a factor in the slackened rise of personal income, which at $409½ billion annual rate in October, was up a little more than $2 billion, or one-half of 1%, since last July, and $25 billion or 6½% above a year ago. Wage and salary payments in October were virtually unchanged from those of the summer period, as reductions in manufacturing payrolls were offset by gains elsewhere.

The supplement to purchasing power provided recently by the expansion of transfer payments has been significant. These were over $1 billion higher on an annual rate basis than in July when the annual rate was slightly less than $29 billion. A major factor here is compensation paid to the insured unemployed, whose number has tended moderately upward in recent months after allowing for seasonal variation.

Slackening demand for industrial products has been reflected in lowered corporate profit margins, but with the steady flow of dividends from corporations, personal income from this source has been maintained.

Retail purchasing in October rose 2% above September's seasonally adjusted rate, bringing the aggregate back to the average of the second quarter of the year. Dealer deliveries of new cars picked up sharply in the first full month of sales of the 1961 models, and the clearance of 1960 models contributed to the gain. Department store sales in October were about 4%, seasonally adjusted, above the September rate and exceeded sales in all other 1960 months, except April. Most other major lines of trade also reported improved purchasing by consumers.

Easing Credit Markets

Monetary authorities have moved to insure readily available supplies of credit to meet the needs of trade which normally expand at this time of year, the OBE noted. Demand for loan funds is still relatively high, though net new borrowings by business and consumers has tapered off in recent months, after allowing for the usual seasonal influences.

Soviet Expected to Be Large-Scale Exporter of Machine Tools

Within five years, the Soviet Bloc will be in the world market as an exporter of machine tools, expecting to send abroad 15 to 20% of its output, *Steel* magazine reported.

Production goals by 1965 call for an annual output of 190,000 to 200,000 metal cutting and 36,200 metal forming machine tools, the metalworking weekly said. Expected inventory by 1965: 2.5 million tools. Present inventory: 2 million.

The magazine quoted Forrest D. Hackersmith, director, export policy staff of the Commerce Department, as saying that four factors are speeding the Red advance:

A high degree of standardization.

Specialization of production in many plants.

Use of conveyor methods of machining and assembly.

Extensive research facilities.

In the USSR this year, output will be divided as follows: 30% lathes, 25% drilling machines, 10% milling machines, 8% grinders, and 27% miscellaneous machine tools.

Bank Clearings 6.4% Above Corresponding 1959 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Nov. 26, clearings from all cities of the United States from which it is possible to obtain weekly clearings will be 6.4% above those for the corresponding week last year. Our preliminary totals stand at $23,613,798,270 against $22,198,120,638 for the same week in 1959. Our comparative summary for the leading money centers for the week ending Nov. 26 follows:

	000s Omitted 1960	1959	%
New York	$12,343,791	$11,567,490	+ 6.7
Chicago	1,049,859	1,059,707	— 0.9
Philadelphia	989,000	965,000	+ 2.5
Boston	785,649	706,746	+11.2

Steel Industry to Operate at 50% Capacity Indefinitely

The steel industry this week enters its sixth consecutive month of operations at close to 50% of capacity. And there is no indication of any significant change until well into 1961, *The Iron Age* reports.

This compares with 1958, when steel operations ranged mostly in the 50's for a period of seven months. Otherwise, the national metalworking weekly comments, it is the longest period of sustained low operations since the 1930's.

Except for a few "false starts," the industry has been on a true bottom since the end of June. Weekly operating rates have not varied more than a few points. The rate of new orders booked by the major companies has also stayed level through the summer and autumn.

Now, with a negative seasonal factor to contend with in December, orders in the past week have been little better than enough to sustain a 45% rate of operations in the major companies. This puts December in line to be the poorest month of the year.

In isolated instances, improved orders and mild traces of optimism are observed. But these tend to be local in nature and subject to regional influences. The major markets show little resiliency for the next few months.

These include appliance makers, farm implement and construction equipment manufacturers, warehouses, construction, and the railroads.

Automotive remains a question mark. At the moment, ordering from the big automakers is noncommittal, although this could be the most volatile factor in the steel market.

Auto production in November will hit around 590,000 cars with original December schedules calling for about the same. However, some slack at Chrysler Corp. and Studebaker-Packard indicates that the schedule is not likely to be filled.

However, there is some encouragement on the basis of January automotive steel orders. Setbacks are about completed and cancellations may be ending. January buys look good for General Motors, with encouraging orders from Fisher Body, GM's body-making division. Ford also looks like it may pick up its buying.

Otherwise, the market will continue to scrape bottom into 1961. Best guess now is a slight pickup in January over December, a mild upturn at mid-year with a substantial buildup in the second half.

"Steel" Believes Odds Are Against Steel Price Increases on Dec. 1

Odds are against a steel price increase on Dec. 1 when industry wage rates go up an average of 8.4 cents an hour and total employment costs may advance as much as 13 cents an hour.

Steel magazine reported that major producers reluctantly agree the market will not support a price increase at this time. They are caught in a squeeze between rising costs and a weak demand.

But a price increase is sure to come as soon as market conditions warrant. The only questions are: The effective date, the amount, and which company will make the first move. Increases will probably be limited to $3 to $4 a ton.

The magazine reported third quarter earnings of iron and steel companies averaged only 3.4% of sales. Several steelmakers lost money; several others failed to cover their common stock dividends. Fourth quarter results will be worse if nothing is done to offset the Dec. 1 employment cost increase.

Chances are there will be no across-the-board increase initiated by the largest producer — U. S. Steel Corporation.

More likely, a smaller steel producing company which is exceptionally hard pressed financially will make the first move on base prices of selected products. Other companies will follow suit.

Competition from other materials and imported steel are important brakes on higher prices. For that reason, some observers predict that there will be no across-the-board move.

The tonnage products (carbon sheets, bars, plates, and shapes) could best stand an increase, they believe.

Items that could not are: Tin plate, electrical sheets, barbed wire, nails, welded tubing, reinforcing bars, stainless products, and tool steels.

Production this week will come back only part way from the low point to which it dropped in last week's Thanksgiving holiday period.

Operations, dropping 4.1 points last week, moped along at 47.5% of capacity, yielding about 1,352,000 net tons of ingots.

Part of the drop came from time out for Thanksgiving Day observance, but some stemmed from shutdown of facilities until steel demand picks up.

Scrap is resisting a further price drop, the metalworking magazine said. Its price composite on No. 1 heavy melting grade of scrap held firm at $28.83 a gross ton for the third straight week.

Primary aluminum producers turned out 167,015 tons of metal in October and are now assured of a record production year even though output will drop this month and next. *Steel's* estimate for 1960: 2,010,000 tons.

This Week's Steel Output Based On 49.3% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of steel companies will average *87.4% of steel capacity for the week, beginning Nov. 28, equivalent to 1,404,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *85.1% and 1,367,000 tons in the week beginning Nov. 21.

Actual output for last week beginning Nov. 21, is equal to 48% 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 49.3%.

A month ago the operating rate (based on 1947-49 weekly production) was 92.0% and production

Continued on page 29

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

NEW ISSUE November 29, 1960

80,000 Shares

Wood-Mosaic Corporation

Class A Common Stock
($1.00 Par Value)

Price $10.00 per share

Copies of the Prospectus may be obtained in any state from such of the several Underwriters including the undersigned, as may lawfully offer the securities in such state.

Cruttenden, Podesta & Co. | Berwyn T. Moore & Company, Inc.
J. C. Wheat & Co. | T. C. Henderson & Co., Inc. | Warren W. York & Co., Inc.
Charles H. Eldredge & Co. | R. E. Bernhard & Company | Boenning & Co.
Boettcher and Company | A. G. Edwards & Sons | H. L. Emerson & Co. Incorporated
Hallowell, Sulzberger, Jenks, Kirkland & Co. | Parker, Ford & Company, Inc.
Penington, Colket & Co. | Shipper and Finney Incorporated | Tabor & Co.
Westheimer & Company | J. R. Williston & Beane

Digitized for FRASER
http://fraser.stlouisfed.org/

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

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

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

Business and Finance in Canada—Survey — Equitable Securities Canada Ltd., 60 Yonge Street, Toronto 1, Ont., Canada.

Canadian Highways — Review — Bank of Montreal, Montreal, Que., Canada.

Capital Gains & Losses — Opportunities for 1960—Federman, Stonehill & Co., 70 Pine Street, New York 5, N. Y.

Depressed Stocks—List of 50 issues in current issue of "Monthly Review"—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. In the same issue are brief reviews of **Illinois Central, Joy Manufacturing, Kennecott Copper, Pittsburgh Plate Glass** and **Skelly Oil**. Also available are data on **Duffy Mott Co., Inc., Columbus & Southern Ohio Electric, Metro Goldwyn Mayer, Philadelphia Girard National Bank & Trust Company, Douglas Aircraft** and **Mid America Pipeline Company.**

Favored Stocks — Selections for various investment objectives — James Anthony & Co., 37 Wall Street, New York 5, N. Y.

Five Per Cent Yield — High yield stocks with favorable outlook — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is a memorandum on **Bullock's Inc.**

Gold and the Dollar Problem—Analysis—Draper, Dobie & Company, Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Investments Under the New Administration (part II) with specific recommendations—Hemphill, Noyes & Co., 15 Broad Street, 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 bulletins on **Nihon Cement Co., Ltd.** and **Kurashiki Rayon 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.**

Low Priced Growth Stocks—20 issues which appear attractive—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Market Outlook—Review—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Missile Stocks — Discussion in "Gutman Letter"—Sterns & Co., 72 Wall Street, New York 5, N. Y.

Outlook for Stocks in 1961—Discussion—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, New York.

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.

Paper Industry — Discussion in current issue of "Investor's Reader" — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue are discussions of **Christiana Securities, Northrop Corp., Heyden Newport Chemical Corp., Pitney Bowes, Brooklyn Union Gas Company, Fansteel Metallurgical Corp., Air Reduction Co., Square D Company** and **General American Oil.**

Profits in Beauty — Review of cosmetics industry — A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available are reports on **Southern California Edison Co.** and **Coastal States Gas Producing Co.**

Puerto Rico: Report on Finances and Economy, 1959 — Department of the Treasury, Office of Economic and Financial Research, San Juan, Puerto Rico.

San Juan—Special Report—Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Solution to Certain Finance Company Problems—Booklet—Glore, Forgan & Co., 45 Wall St., New York 5, N. Y.

Stocks at a Discount — List in current issue of "Pocket Guide" — Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also in the same issue are lists of stocks in various categories which appear interesting.

Tax Sheltered Securities — Selected list—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

World Sugar Situation — Outlook for 1961—Lamborn & Co., Inc., 99 Wall St., New York 5, N. Y.

* * *

Ald, Inc. — Memorandum — A. C. Allyn & Co., 121 South La Salle St., Chicago 3, Ill.

American Bosch Arma — Bulletin —Purcell & Co., 50 Broadway, New York 4, N. Y.

Amphenol-Borg Electronics—Review — Fahnestock & Co., 65 Broadway, New York 5, N. Y. Also available is a review of **California Packing.**

Asahi Glass Co., Ltd. — Analysis —Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel Co., Ltd., Canon Camera Co., Inc., Kansai Electric Power Co., Inc., Sumitoma Electric Industries Ltd., Nippon Sheet Glass Co. Ltd., Nippon Electric Co., Ltd., Mitsubishi Electric Manufacturing Co., Ltd., Matsushita Electric Industrial Co., Ltd.,** and **Nissan Motor Co., Ltd.**

Baystate Corporation—Analysis—The First Boston Corp., 15 Broad St., New York 5, N. Y.

Behlen Manufacturing Co. — Memorandum—Smith, Barney & Co., 39 South La Salle St., Chicago 3, Ill.

Brown Company — Analysis — Gude, Winmill & Co., 1 Wall St., New York 5, N. Y.

Central Hudson Gas & Electric Co. — Memorandum — Woodcock, Moyer, Fricke & French, 123 South Broad St., Philadelphia 9, Pa. Also available are memoranda on **Lockheed Aircraft Corp.** and **Stanley Warner Corp.**

Cetron Electronic Corp.—Memorandum—R. Baruch & Co., 1518 K St., N. W. Washington 5, D. C.

Cincinnati Milling Machine Co.—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Clary Corp. — Memorandum — Bacon, Stevenson & Co., 39 Broadway, New York 6, N. Y. Also available are memoranda on **Capital Cities Broadcasting, National Equipment Rental** and **Stanley Aviation.**

Cluett Peabody—Memorandum—J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Deere & Co.—Survey—Shields & Co., 44 Wall St., New York 5, N. Y.

Denison Mines — Survey — Ross, Knowles & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada. Also available are surveys of **Ventures Limited** and **Slater Industries.**

Detroit Edison Company—Data—The Illinois Co., Inc., 231 South La Salle St., Chicago 4, Ill. Also available in the same circular are data on **General Motors Corp., Goodyear Tire & Rubber Co., Texaco, Texas Instruments, Inc.** and **United States Steel Corp.**

Distillers Corp. — Seagrams — Memorandum—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also available is a memorandum on **Oklahoma Natural Gas** and in the current issue of "Investornews" discussions of **International Nickel, Natural Gas Industry, Great American Insurance, Sheller Manufacturing, Canada Dry,** and **Northrop Corp.**

R. R. Donnelley & Sons Co. — Memorandum — Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

Eastern Gas & Fuel Associates—Analysis — The Colby Letter, 31 Milk St., Boston 9, Mass. Also available is an analysis of **Phillips Petroleum.**

First National Bank of Chicago—Memorandum—A. G. Becker & Co., Inc., 120 South La Salle St., Chicago 3, Ill.

Flintkote—Review—F. P. Ristine & Co., 15 Broad St., New York 5, N. Y. Also in the same bulletin are data on **International Nickel** and **McKesson & Robbins.**

Freeport Sulphur — Data — Cacchione & Smith Inc., 42 Broadway, New York 4, N. Y. Also available are data on **Industrial Rayon.**

Geco Mines Ltd. — Memorandum —John M. Easson & Co., Ltd., 217 Bay St., Toronto, Ont., Canada.

General Instrument — Review — Carl M. Loeb, Rhoades & Co., 42 Broadway, New York 4, N. Y. Also available are reviews of **Eastern Gas & Fuel Associates** and **Friden.**

General Precision Equipment — Analysis—Cohen, Simonson & Co., 25 Broad St., New York 4, N. Y. Also available is an analysis of the **Pittston Company.**

Gulf & Western Industries, Inc. —Analysis—Dittmar & Co., Inc., 201 North St. Mary's St., San Antonio 5, Texas.

R. M. Hollingshead — Memorandum—Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa.

Horn & Hardart Company (N. Y.) —Analysis—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Interchemical Corporation — Review—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **Signal Oil & Gas Co.**

Jefferson Lake Sulphur—Memorandum — Pershing & Co., 120 Broadway, New York 5, N. Y.

Jim Walter Corp.—Review—Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y. Also available are reviews of the **Warner & Swasey Co.** and **Barden Corp.**

Kirsch Co. — Memorandum — Cruttenden, Podesta & Co., 209 South La Salle St., Chicago 4, Ill. Also available is a memorandum on **Globe Union Inc.**

Kollmorgen Corp.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a review of **Litton Industries.**

Lehn & Fink Products Corp. — Bulletin — Carreau & Co., 115 Broadway, New York 5, N. Y.

Life & Casualty Insurance Company of Tennessee — Bulletin — Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa. Also available is a list of high yielding 25-year dividend payers in the over-the-counter market.

Lockheed Aircraft — Bulletin — Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y. Also available are data on **Stanley Warner** and **Central Hudson Gas & Electric.**

Louisiana Tax Exempt Bonds — Bulletin — Crane Investment Co., Inc., National Bank of Commerce Building, New Orleans 12, La.

Loyal American Life Insurance Company—Analysis—J. H. Goddard & Co., Inc., 85 Devonshire St., Boston 9, Mass.

Metro Goldwyn Mayer Inc. — Analysis—Hooker & Fay Inc., 221 Montgomery St., San Francisco 4, Calif.

Noranda Mines Ltd.—Analysis—C. M. Oliver & Co., Ltd., 821 West Hastins St., Vancouver 1, B. C., Canada.

Northrop Corporation—Analysis—Joseph Walker & Sons, 30 Broad St., New York 4, N. Y.

Old Republic Life Insurance Co. —Comprehensive report (without imprint)—Fahnestock & Co., 135 South La Salle St., Chicago 3, Ill.

Pantex Manufacturing Corp. — Analysis — Carleton & Co., 262 Washington St., Boston 8, Mass.

Spencer Shoe Corp.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is a bulletin on **Harris-Intertype Corp.**

Sports Arenas (Delaware) Inc.— Analysis — H. Hentz & Co., 72 Wall St., New York 5, N. Y.

Sprague Engineering Corporation Analysis—B. N. Rubin & Co., Inc., 56 Beaver St., New York 4, N. Y. Also available is a report on **McGowen Glass Fibers Corp.**

Super Food Services Inc.—Analysis—Wm. H. Tegtmeyer & Co., 105 South La Salle St., Chicago 3, Ill.

Swift & Company — Analysis — Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a bulletin on **North American Aviation** and a list of depressed stocks.

Tayco Developments Inc.—Survey —Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available is a survey of **Taylor Devices, Inc.**

United Air Lines — Analysis — John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Western Publishing — Report — Loewi & Co., Inc., 225 East Mason St., Milwaukee 2, Wis. Also available is a report on **Jim Walker Corporation.**

Williams McWilliams Industries, Inc.—Bulletin—Georgeson & Co., 52 Wall St., New York 5, N. Y.

The Security I Like Best

Continued from page 2

pany to be at about the $535,000 level, equivalent to about 92 cents per share.

The common stock of Culligan, Inc. seems to me to be a most promising situation in a rapidly growing field. I feel that its growth potentiality both in the household and commercial-industrial water conditioning fields can very well recommend the stock at its current price of 15½. It is traded in the Over-the-Counter Market.

For financial institutions only

Stocks Currently Popular—

Interstate Vending Company
Scantlin Electronics, Inc.
***Bzura Chemical Company Inc.**
Yardney Electric Corporation
Electronics International Capital Ltd.
Franklin Corporation
Narragansett Capital Corp.
Servonics Incorporated

**Prospectus on Request*

TROSTER, SINGER & CO.
Member New York Security Dealers Association
74 Trinity Place, New York 6, N. Y.
HAnover 2-2400 Teletype NY 1-376; 377; 378

Specialists in Canadian Securities as Principal for Brokers, Dealers and Financial Institutions

Grace Canadian Securities, Inc.
Members: New York Security Dealers Association
25 Broadway, New York 4, N. Y.
TELEX 015-220 • HAnover 2-0433-45 • NY 1-4722

Orders Executed at regular commission rates through and confirmed by

J. H. Crang & Company
Members: Principal Stock Exchanges of Canada
The National Association of Security Dealers
25 Broadway, New York 4, N. Y.

igitized for FRASER
http://fraser.stlouisfed.org/

Christmas Shopping Notes

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

Not a list of gifts to buy but some listed and Over-the-Counter Market companies in line to benefit from your Christmas expenditures.

We've got a fine country here full of consumers with full purses. With a Gross National Product around $500 billion annually and some $400 billion in Personal Income we are loaded with the wherewithal for super-bountiful Christmas buying in 1960. Never have selections been so varied, wrappings so elegant, and early shopping so rife. And what an assortment of opulent baubles for those "who have everything!" A Cadillac to match milady's dress, matched luggage for an entire family, mink dog blankets, electric plate warmers and no doubt, pressed duck served under Rolls-Royce hub caps!

Actually, most of the buying will be done along more traditional lines. If you buy cosmetics for the Little Woman you're quite likely to patronize **Revlon**, a company with a record of remarkable growth. Revlon has consistently outperformed the cosmetic industry for the past 10 years. Its Living Lipstick, Love Pat compact make-up, Satin Set hairdo, Top Brass men's toiletries, and Schick razors (Revlon owns 27% of the common stock) provide quite a shopping list.

Revlon, Inc. has expanded its earnings consistently and for 1960 should show about $4.40 per share against $4.19 last year. Dividends have been increased in each of the past four years. Present rate is $2.00. Revlon advanced briskly last week and sells near the year's high at 69. But it's an enterprise exuding growth, and, bought judiciously, it might prove an acceptable gift from you to you!

Many businesses and individuals like to give cigarette lighters which again brings a leading company name to mind—**Ronson.** Although Ronson has encountered substantial competition since its early dominance in matchless ignition of tobacco, it still leads the field and does a brisk repeat and refill business in flints and fluids as well. Its latest Varaflame lighter, burning butane, is an increasingly popular favorite and a well styled product. Ronson has diversified substantially with around 25% of sales now coming from electric appliances—electric razors for men and women, electric hair dryers and shoe polishers.

Ronson Inc. should rack up its best year in 1960 with sales around the $40 million level and a net of at least $1.20 per share. At 11¾ paying 60c, Ronson Corp. is an illuminating value.

Toys and Games

You don't think of Christmas without thinking about toys. Trains are still popular and so is **Lionel Corp.** which makes them. A new management here gives the company a more dynamic look and General Medaris (until retirement this year, a top officer in our military missile and rocket program) is now President. Which accounts no doubt, for the fact that Lionel now sells a missile launching toy submarine, and a rocket throwing railway car. Lionel is moving forward in both mechanical toys and in electronics and its Common, which has been a volatile performer, offers some attraction as a non-dividend paying speculation.

Over-the-Counter related to the toy field is **Milton Bradley Company,** largest publicly owned manufacturer of games in the world. Games are favorites of Santa and Milton Bradley has been prospering in recent years. Its common sells around 73 and pays a $2 dividend plus stock extras.

Also over-the-counter is the stock of **Mattel, Inc.,** a young and vigorous company specializing in more expensive toys — realistic shooting guns, big dolls with sleek synthetic hair, and all sorts of musical toys. Rapid growth at Mattel has been achieved by creating attractive products and merchandising them effectively with the help of high advertising budgets. The current fiscal year ends next March 30. Indications are that sales are now running at above $20 million annually (250% above 1956 total) and net for current year may reach $1.20 against $1.04 for 1959. Stock at around 16 reflects an unusual growth rate in a quite specialized business.

All Christmas gifts come wrapped, and in this department there's a lively company called **Papercraft Corp.** This enterprise has been making, at an expanding rate, all the gimmicks for fancy Xmas packaging—gift tags ("to Uncle Cuthbert from Marylyn") shiny, colored papers, ribbons of all colors and widths and bows the like of which Hiawatha never saw. To round out its material supply for adhesives Papercraft recently acquired the LePage enterprise in Gloucester, Mass., long known manufacturer of glues, as a byproduct of the fishing industry in that city. Here Papercraft is making adhesives and cellophane tape. Papercraft management is aggressive and progressive and the 1,129,837 common shares (traded over-the-counter) have a likely look about them even though, at 34, they sell at a quite high multiple of indicated 1960 per share net of about $1.15.

Holiday Beverages

The holidays are a time for sociable drinking so perhaps you ought to look at one or two purveyors of spirits. If you like bourbon, **James B. Beam Distilling Co.** common selling at 24 and paying 30c plus a fraction in stock seems attractive at only 8 times current earnings.

If you like some one else to mix cocktails for you, **Heublein, Inc.** is famous for its pre-mixed cocktails which need only to be chilled or iced—and drunk (they don't do that for you!) In view of the big swing to gourmet buying in food and drink Heublein Inc. seems well placed and has been turning in a splendid earning's performance. Last fiscal year (12 months ended 6/30/60) per share net was $2.31 up 40% over 1959; and for current year our guess would be $2.60. Stock sells at 30 over-the-counter with an 80c cash dividend and a stock extra.

While the posh cocktail parties of the Holiday Season will evoke the fanciest glasses, wassail bowls and tankards, the myriad office parties will settle for paper cups, quite possibly supplied by **Lily-Tulip Cup Corp.** Here's a real authentic growth stock with a long record of doing well for its shareholders. Lily-Tulip is now the largest factor in its own specialized field and turns out over 600 different sizes and shapes of cups, containers, buckets and lids. Plastic coatings (instead of wax) now permit use of paper containers for hot liquid or food items as well as cold, and vending machines are opening up a whole new vista of sales markets.

Net sales and net earnings have advanced with escalator like precision for years. For 1953 sales of $54.6 millions created $3.08 millions in net. On sales of $89.5 million in 1959 net more than doubled to $6.61 million. This year sales will be well over $90 million, and there'll be another new high in net. Lily-Tulip common sells at 47 and pays $1. The stock was split 3-for-2 in 1954 and 2-for-1 in 1955, and again 2-for-1 in 1959. (You might call this gilding the Lily!)

We can't begin to cite the tens of thousands of important retail establishments throughout the land where seasonal shopping will no doubt set all-time records; but we would like to say a timely word about one of the most famous merchants of America, **Marshall Field & Co.** It conducts the largest retail merchandising business in Chicago through its huge city block downtown store (2 million square feet), and five suburban branches. It also has large stores in Milwaukee and Seattle (but the Chicago areas account for 80% of sales). Fiscal year which ended 1/31/60 showed sales and net at an all-time high. This year should be even better with per share of about $4.75 against $4.51 last year. Dividend of $2.50 is well protected and the common at 54 appeals to conservative income-minded investors.

We hope you enjoy your Christmas shopping, and we just wanted you to bear in mind that there are some excellent values in stocks as well as in stockings for you to consider.

Hawaii Inv. Soc. Names Officers

HONOLULU, Hawaii — The Investment Society of Hawaii, meeting in Honolulu, has elected Denis Y. Wong of Dean Witter & Co., President for the coming year. Thomas N. Fairbanks, Jr., of Bishop Securities, Ltd., was elected Vice-President, and William F. Ryan of Schwabacher & Co., was named Secretary and Treasurer.

With Cruttenden, Podesta

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—Charles G. Lumaghi has become associated with Cruttenden, Podesta & Co., 316 North Broadway. Mr. Lumaghi, who has been in the investment business for many years was formerly with Dean Witter & Co. and Central Republic Co.

Robert Anderson Joins Miles Burgess

SAN FRANCISCO, Calif.—Miles Burgess, Russ Building, Western distributor of Group Securities, Inc., announces the appointment of Robert H. Anderson as Northwestern representative, effective Dec. 1, in the states of Washington, Oregon, Idaho and Montana.

Robert H. Anderson

Mr. Anderson, before entering the securities business, managed the John Hamrick Theatres in Portland and Tacoma, serving finally as manager of the Orpheum Theatre and assistant to the president in Seattle.

For the past seven years Mr. Anderson has been with the Portland office of Foster & Marshall, leading that organization in mutual fund sales in three of the last four years.

With B. C. Christopher

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Leonard N. Griffith is now with B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange.

American Global Investors

American Global Investors Corporation, 179 Dyckman Street, New York City has been formed to continue the investment business of Colette M. Manning.

Joins Goodbody Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—Max V. Cates has joined the staff of Goodbody & Co., 125 High St. He was formerly with Keller Bros. Securities Co.

Schroder Bank Names Officers

The Directors of J. Henry Schroder Banking Corp. and Schroder Trust Co., New York City, have announced the election of William G. Kearns and John E. McNamara as Vice-Presidents and of Karl H. Lehmann as Treasurer. At the same time, Phillips S. Trenbath was named Senior Trust Officer of Schroder Trust Co.

Mr. Kearns is Comptroller of the two banks, Mr. McNamara is in charge of the Securities Departments of the institutions and Mr. Lehmann is responsible for the banks' government bond portfolios and money market operations.

Other appointments announced at the same time included Francis B. Bessenyey, Burgis B. Coates, Erik J. Larssen, John T. Lyons and Philip H. Robinson as Assistant Vice Presidents; John S. Eddy as Assistant Secretary, and Arnold Holst and Gerhard H. Laube as Assistant Treasurers.

Palmer Partner In White, Weld

Arthur E. Palmer, Jr., has been admitted to general partnership in White, Weld & Co., 20 Broad St., New York City, members of the New York Stock Exchange, it has been announced.

Mr. Palmer has been associated with the New York law firm of Winthrop, Stimson, Putnam & Roberts since graduating from law school in 1935, except for war service. He has been a partner in that firm since 1946.

Named Director

James Hodes, a partner in Hardy & Co., New York City, has been elected a director of the American Ice Co.

This announcement is neither an offer to sell, nor a solicitation of offers to buy, any of these securities. The offering is made only by the Prospectus.

November 29, 1960

450,000 Shares

FERMENTATION OZURA CHEMICALS

CHEMICAL COMPANY INC.

Common Stock

(Par Value 25¢ per Share)

Price $10.50 per Share

Copies of the Prospectus may be obtained in any State from only such of the undersigned and others as are licensed or registered brokers or dealers in securities in such State.

P.W. Brooks & Co. Incorporated Lee Higginson Corporation

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

An Investment Program Based on Current Prospects

By M. C. Fergenson,* Security Analyst, L. F. Rothschild & Co., New York City, Members New York Stock Exchange

Analyst proffers advice designed to assist an investor seeking a common stock portfolio geared for reasonable income and moderate growth. Some of the over-all background assumptions made include the view that the new Administration will practice more economic orthodoxy than indicated during the campaign. Mr. Fergenson names the industries and representative issues which he believes will fare well, and the reasons therefor, and indicates the relative proportions of each type in his suggested portfolio.

Some of the imponderables that will resolve into stock values during 1961 include gold flow, Federal Reserve policy, foreign competition, unsettled political conditions throughout the world, the appointments and policies of the incoming Administration.

M. C. Fergenson

Truly, it would take a digital or analog computer of a type yet to be invented to evaluate these factors yet the portfolio analyst cannot wait for these problems to be settled because in the dynamic world in which we live we can be sure of this one thing—that when these factors are resolved, new and equally difficult imponderables will arise.

Let us, therefore, make several assumptions: we shall assume that the new Administration will be more orthodox in economic affairs than we were led to believe during the campaign. We know that we shall have a more conservative Congress and a responsible Federal Reserve Board. We must realize that as "the world's bankers," as President Eisenhower characterized the United States, we must take into consideration the effects of our monetary policy on other financial centers. We shall also assume that within our financial ability, we will have as long-term goals those which are described in Prof. Galbraith's "Affluent Society" which emphasizes growth in the public sector of the economy. Finally, we shall assume also that supplies of most commodities and products will be plentiful and competition will be more rather than less keen.

Mr. Kennedy's campaign speeches bring to mind several issues that could affect industries in which there is a great deal of investor interest. The Democratic platform stressed defense spending, slum clearance and housing, roadbuilding, education and old-age medical care.

Now let us attempt to blend monetary policy, economic conditions and Mr. Kennedy's platform into an investment program —both as to industries and companies.

Generally, economists are predicting an upturn in business in the second half of 1961. By that time presumably contracyclical forces will have had their effect on the economy, inventory decumulation will have run its course and an upturn in capital expenditures, if not already in evidence, will be anticipated. We have now laid the groundwork on which to construct or modify our diversified portfolio.

Issues Deemed Favorable

Some 20 years ago I read a book, the name of which escapes me, that sought to prove that the United States has never had a depression when building was at a high level. Many of you may have seen a pre-election debate on television in which Dr. Saulnier and Prof. Galbraith agreed (and it was about the only point on which they did agree) that homebuilding and the level of business pretty much fluctuated together. We now have an easier money policy and a Democratic platform pledged to stimulate homebuilding of all types—single units, apartments and slum-clearing projects. The building of schools and their furnishing and their equipping should also help the building equipment companies. For representation in this industry, which is a prime target for the future, I select *Johns-Manville, National Gypsum* and a somewhat less conservative issue, *Georgia-Pacific.*

Defense spending at a high level is a "must." We need it for self-preservation, we need it for technological progress and it falls neatly in contra-cyclical measures. While defense orders help the industry on an overall basis, they tend to favor some companies more than others at different times. We, therefore, try to select those companies which are concerned with those growing programs most likely to receive increased funding. In the industry I favor *North American Aviation* as the leading contractor in the B 70 program and *The Martin Co.* for its favorable missile "mix." In a more glamorous area we favor *Litton Industries* for its position in inertial guidance systems for navigation and its capabilities in a wide area of microwave components.

For participation in the road-building program, I prefer the cement stocks at present over the machinery group and *Marquette Cement* is our first choice. The approval of the large California bond issue for water facilities naturally draws attention to the cement companies with facilities in that State — *Permanente* and *Ideal.* But we should keep in mind that this whole project is scheduled to take 30 years to complete.

Case for Utility Stocks

No portfolio analyst can overlook utilities. The average investor treats a utility stock as a bond with growth in a balanced portfolio and so far he has been right. Remembering the late President Roosevelt's attacks on utilities, investors wonder about the plans of Mr. Kennedy, who considers himself a successor. I do not view the situation with alarm. The holding companies and the financial abuses are things of the past; consumers and utility commissions recognize the tremendous job which the privately owned utilities have done. We might avoid a utility too close to *TVA* or in the *Pacific Northwest* but otherwise we are taking a constructive view toward the electric utilities.

Rochester Gas & Electric with its policy of a stable cash dividend and supplemental stock dividends is helpful to many portfolios. Those who need income can sell their stock dividends; those who wish growth may retain the stock with some tax advantage. For appreciation possibilities we try to find utilities which have shown a good increase in gross without a commensurate increase in per-share earnings, owing to a large extent to common stock financing. Once the common stock reaches an acceptable ratio of the capitalization and financing stops or becomes more moderate we can expect the growth in revenues to be reflected in higher per-share earnings. One need only to review the recent action of *American Tel & Tel* and *Long Island Lighting* to realize the effect a respite of common stock financing can have on the price of the common stock. An example for this objective is *Southern California Edison.* Also, we like *South Carolina Electric & Gas* since its rate of growth is at least equal to other utilities in the same territory and yet it sells at a lower multiple of earnings. I do, of course, recognize that so-called "growth" utilities have advanced relative to the market.

Retail Field

In the retail field the consumer is supreme. We cater to him, we advertise, we even conduct a kind of psychiatric examination on him by canvassing his intentions. While Mr. Kennedy's proposal to raise the minimum wage to $1.25 may increase costs, it will also increase purchasing power. *Gimbels,* we think, sells at a reasonable price in relation to earnings and *Associated Dry Goods* with a nice record is not unreasonably priced.

One issue in this field has some speculative appeal for the intermediate term. Last year *Aldens* initiated a revolving credit plan that should raise earnings to a higher plateau. Here, too, there are convertible bonds for those willing to pay a premium for some degree of safety.

Oil and Chemical Equities

I shall discuss the oil group briefly by saying that on account of unsettled political conditions in Asia and Africa we prefer the domestic integrated oil companies. Competition is becoming keener and marketing is gaining in importance over production. Our preferences are *Continental Oil, Phillips Petroleum* and *Shell Oil.*

Chemical stocks as a group have declined substantially from their highs. Company reports indicate that sales have been maintained but profit margins have been affected. Two factors or rather two phases of the same factor have been held responsible for declining profit margins: additions to capacity and the competition from oil companies in petrochemicals. Our analyst has made some interesting observations about these two factors.

First, petrochemicals have been competitive since 1923. Secondly, the industry as a rule projects operations at about 70% in planning new plants with the result that profits should be satisfactory if sales continue to grow. All this seems to resolve itself into a "growth" industry assuming cyclical aspects. My feeling is that leading chemicals such as *Allied Chemical, Union Carbide* and *Hercules Powder* can be held for the long term or bought at opportune prices for cyclical improvement.

Banks and the Counterparts

An industry that is often overlooked, probably because it is regarded as staid and perhaps because its stocks are unlisted is banking. A portfolio analyst views a bank stock somewhat akin to a utility stock, that is, having defensive-type properties. It surprised me, as it might surprise you, to learn from our analyst that for the past ten years the rate of growth in operating earnings of member banks (1947-1949 equals 100) was greater than that of electric utilities although more cyclical. Consequently, our tendency is to favor bank stocks for reasonable income and moderate growth despite the incoming administration's program for lower interest rates. Thus, *First National City Bank* represents reasonable value and that *Chemical Bank New York Trust* will soon begin to reap the benefits of recent mergers. Additional attraction for New York City banks stems from permission to expand to Nassau and Westchester. *Firstamerica* operates in a "growth" area.

In the savings and loan field we prefer the larger holding companies operating only in California such as *Financial Federation, First Charter Financial* and *Great Western Financial.* They provide some territory diversification, they can spread larger loans among their units and can reduce expenses by office automation and lower proportionate administrative costs.

Paper Stocks

The paper stocks have alternated between popularity and unpopularity and at present are well below their recent highs. Statistical analysis suggests that the industry has shown a growth trend both in dollars and tonnage but that earnings have described more of a cyclical pattern. I suspect that paper will continue to experience a good rate of growth in tonnage and that per-capita consumption will continue to rise but also think that capacity is ample and that price competition may be a problem at times. We are, therefore, tending to consider the paper stocks as much cyclical as "growth" stocks. In the industry we would expect *International Paper, Crown Zellerbach* and *Mead Corporation* to participate in a cyclical business recovery. *Scott Paper* and *Kimberly-Clark* with strong consumer acceptance of their products have not shown the cyclical characteristics of the industry.

So far I have not mentioned any of the heavy-goods industry —steels, metals, autos, machinery, machine tools and railroad equipment. Earlier I made the observation that many economists are projecting a business recovery in the second half of 1961. If we accept this timing, we may conclude that it may be a little early to weigh a portfolio heavily in heavy-goods stocks. And yet we cannot eliminate them entirely from a balanced portfolio.

At present, we prefer to limit our participation in heavy goods to the larger and more representative companies. In the expectation that the inventories are being reduced and that steel operating rates are scraping bottom, we would include *U. S. Steel* for investment quality and *National Steel* as a more aggressive investment and also of good quality. In the automobile group *Ford* has shown a good record in introducing compact cars and *General Motors* offers a satisfactory indicated return.

Portfolio Composition

In summary, I suggest that an average all common stock diversified portfolio seeking reasonable income and moderate growth should now have the following approximate proportions:

(1) About 45 to 50% in defensive-type stocks such as utilities, banks, consumer goods.

(2) About 30 to 35% in what we term the "intermediate" group, industries less vulnerable to cyclical influences than heavy goods. Such industries would include oils, papers, drugs, some chemicals.

(3) About 15 to 20% in heavy goods industries.

At a more opportune time we would, of course, be willing to shift some of the funds from the first and second groups to the third group. I am sure that we all hope that the time is not too distant.

*A talk by Mr. Fergenson before the Association of Customers' Brokers, New York City, Nov. 22, 1960.

Bacon, Whipple Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—James T. Hacker is with Bacon, Whipple & Co., 135 South La Salle St., members of the New York and Midwest Stock Exchanges.

Joins McDonnell Staff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Byron M. Marcus has joined the staff of McDonnell & Co., Inc., 208 South La Salle St.

Wm. A. Fuller Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Daniel C. Trinkaus has been added to the staff of William A. Fuller & Co., 209 South La Salle St., members of the Midwest Stock Echange.

With Goldman, Sachs

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — James C. Baird III has become connected with Goldman, Sachs & Co., 135 South La Salle St.

This announcement is neither an offer to sell, nor a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular.

NEW ISSUE November 30, 1960

100,000 Shares

EPPS INDUSTRIES, INC.

COMMON STOCK

($1 Par Value)

Price $3.00 per share

Copies of the Offering Circular may be obtained in any state only from such dealers, including the undersigned, as may legally offer these Securities under the securities laws of such state.

CALIFORNIA INVESTORS

Members
Pacific Coast Stock Exchange

igitized for FRASER
://fraser.stlouisfed.org/

Future of Municipal Debt

By Arthur Levitt,* Comptroller, State of New York

New York State's chief fiscal officer declares voters' recent approval of enormous amounts of municipal bond issue proposals highlights rising trend of such borrowing. Maintains a growing proportion of State and local, to Federal debt, will be further accelerated, stemming from population increases, urbanization, and the public's rising demand for better State and local services. Col. Levitt maintains it is impossible to follow inflexible "pay-as-you-go" policy. Favors expanded program of bond financing for highway construction, meeting the railroad commuter problem, and building higher educational facilities.

I would like to discuss state and local government financing and the implication of that financing to all short and long term borrowers. I do so because state and local bond issues have become increasingly important in the money market and will, in the years ahead, rival the impact of the Federal Government in this field. The voters of the United States recently not only had to choose a President, Congress and various state officials, they also had to approve or disapprove over $3.6 billion of municipal bonds issues —the largest amount ever put before the electorate.

Hon. Arthur Levitt

The approval of most of these issues coupled with events of the past few years makes it unmistakably clear that state and local governments will make increasing use of long-term borrowings to finance public construction.

Local Versus Federal Debt

Perhaps the growth in state and local debt may best be appreciated by comparing it with the Federal debt. In 1946 outstanding debt of state and local government was one-twentieth of the Federal debt. On June 30, 1959 it rose to slightly over one-fifth. Estimates indicate a doubling of current levels by 1970 at which time municipal debt may be equal to half of the Federal debt.

The rapid rise in the demand for funds on the part of state and local governments has also resulted in a strong competition for funds not only between municipal borrowers themselves but with other seekers of long-term funds. Since 1952 there has never been less than 6,000 public borrowers per year, or at least 100 per week.

I am sure we are all aware of the reasons for this rapid growth in long-term municipal borrowing. These include population increases, urbanization, and public demand for more and better state and local services.

The principal purposes for which funds are borrowed are education, highways, housing and water and sewer facilities, and state institutions. The projections made by my staff indicate a reduction in the relative share of borrowing for elementary and secondary school purposes in the years to come with an increase in borrowing for water, sewage treatment, and higher education. There may also be a further increase in the use of revenue bonds rather than general obligations, a phenomenon which has been characteristic of the past seven to eight years.

I anticipate more, rather than less, borrowing in the future on the part of municipalities. The reasons are easy to discern. First, there are the traditional, legal and economic limitations on the local tax base, especially the property tax so that revenues will not rise as rapidly as expenditures. Second, it is generally accepted that many capital improvements are so costly that only through long-term borrowing can their construction be achieved without an undue burden on the taxpayers. Another, of course, is that it is more equitable to spread the cost over current and future generations who will be enjoying the facilities.

"Pay-As-You-Go" Policy Improvements

While there is unanimous agreement that operating expenditures should be financed out of current revenues, there is no such agreement in the case of the financing of capital improvements. Theoretical arguments for total pay-as-you-go financing have a superficial appeal, but in looking at all levels of government, it is quickly apparent that it is impossible to maintain total pay-as-you-go financing without curtailing the construction of vitally needed facilities. This is particularly so under conditions here in New York State.

Actually no general rule about borrowing can cover every situation. The decision must be made on the merits of each individual case. It is just as foolish to pay for all capital expenditures from borrowed funds as it is to pay for all capital improvements out of current revenues. At times it will in fact be desirable to finance capital programs out of a combination of current revenues and borrowings, as indeed we did from 1954-1958—when 50% of our capital programs were financed from current revenues and 50% by bonds.

As you know as chief fiscal officer, I am responsible for borrowings by the state. In fulfilling this responsibility, I naturally seek to borrow when costs are at a minimum and when funds are in greater supply. I have been very fortunate in guaging the market and in timing of the sale of state issues. Since I have taken office I have on four occasions declined to accept bids on a sale of Thruway bonds and re-offered those bonds at a later time. In all instances I have been able to achieve a better price for a total savings of over $27 million in interest charges.

One of the reasons why this has come about is our continuous study of the money market. We recognize the existence of various types of movements in the money market. First, the existence of a long-term upward trend in interest rates—a situation over which we have no control. Second, the shift in interest rates in shorter periods of time which reflect business cycles and economic conditions. These shifts are difficult to adjust to. However, if we are sure that a tight money cycle is coming to an end, then we postpone long-term borrowing or borrow short-term until the actual shift occurs.

Third, the existence of two short-term movements in the municipal bond market. These are the short cycles and seasonal patterns. We watch these movements even in those periods when we are not actively in the market so that when we are we may do a more efficient job of borrowing.

The short cycles take place within the broader framework of the intermediate cycles and long-range trends and must always be viewed accordingly. These short cycles have lasted from 12 to 15 weeks with fluctuations from peak to trough of about 20 basis points. The short cycles for municipals have had their counterpart in other bond markets as well, but they have not been of the same duration. This is because there are special factors which operate in the case of municipals which do not operate in the case of other governments and corporates.

In addition to the short cycle, we also recognize the existence of a seasonal pattern in bond yields which are regular and large enough to warrant special consideration. Thus, during the month of February when Retirement funds seek to buy securities, the demand side of market increases, prices go up, and bond yields fall. In the month of September, bond yields and prices fall as the Federal government money requirements cause an increase in supply of securities. Again, within limitations, a knowledge of these seasonal patterns is absolutely invaluable to a potential municipal borrower.

Because of the sales to individuals, dealers are often confronted with sizable inventories of municipals. A knowledge of the size of these inventories is also important in guaging the market.

The question of future borrowings by the State of New York has not been settled. The concept of total pay-as-you-go is the announced public policy of this state. I believe this ruling is wrong. We cannot provide the facilities so desperately needed if we are to live within this fiscal strait jacket.

The overwhelming acceptance by the electorate of Proposition No. I which was a bond issue to finance the purchase of recreational lands shows that the public will support borrowings where the public interest is clearly demonstrated. I view this departure from current policy of pay-as-you-go as an acceptance of the value of bond financing and the beginning of an expanded program of bond financing for highway construction, meeting the railroad commuter problem, and building higher education facilities.

*From a talk by Col. Levitt before the Factors and Finance Division of the Federation of Jewish Philanthropies, New York City, Nov. 17, 1960.

Glore, Forgan Admits Partners

Amos B. Foy has been admitted as a general and limited partner of Glore, Forgan & Co., 45 Wall Street, New York City, and Charles E. Brown and Philip S. Nelson have been admitted as general partners of the investment banking firm, it is announced.

Philip S. Nelson

Amos B. Foy

Charles E. Brown

Hunter S. Marston, Jr., is retiring as a general partner but will continue as a limited partner.

Mr. Foy retired recently from the Chemical Bank New York Trust Company after 32 years in charge of its Latin American business. He continues as a director of the bank's overseas affiliates, Chemical International Finance, Ltd., and Chemical Overseas Finance Corporation.

Mr. Brown was formerly a general partner of J. H. Whitney & Co.

Mr. Nelson, who has been sales manager of Glore, Forgan & Co. since 1957, was previously associated with Lehman Brothers for three years.

Mr. Marston, who has been a general partner since 1953, will become President of Eurofund, Inc.

J. H. Latham Forms Co.

NEW IBERIA, La.—John H. Latham is conducting a securities business from offices at 701 Prioux Street under the firm name of John H. Latham Investment Co.

Metropolitan Brokers Open

WASHINGTON, D. C.—Metropolitan Brokers, Inc. are engaging in a securities business from offices at 919 Eighteenth Street, N. W. Officers are Philip Lustine, President; David E. Snyder, Treasurer; Philip Rosenfeld, Vice-President; and J. Gerald Lustine, Secretary.

Form Mutual Funds Sales

(Special to The Financial Chronicle)

POMPANO BEACH, Fla.—Mutual Funds Sales, Inc., has been formed with offices at 621 North Federal Highway to conduct a securities business. Officers are Patrick Giasullo, President; Mary Giasullo, Vice President, and Marilyn J. Buchanan, Secretary-Treasurer.

MacTavish to Act As Consultant

Henry J. MacTavish, Vice-President of the Chase Manhattan Bank, will avail himself of the option to retire under the bank's early retirement plan on Dec. 31, 1960, and will establish his own business as a consultant in corporate financing and reorganizations. Mr. MacTavish has been in charge of corporate reorganization work during the past few years as loan review officer of the bank. From 1947 until 1956 he was Vice-President and Comptroller. His earlier experience included many years as a lending officer in the bank's nation-wide district organization.

Mr. MacTavish went to the Chase National Bank in 1928 from Peat, Marwick, Mitchell & Co., public accountants.

This is under no circumstances to be construed as an offering of these securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such securities. The offer is made only by means of the Prospectus.

New Issue (125,000 Shares)
Secondary Offering (20,000 Shares)

145,000 Shares

Process Lithographers, Inc.

Common Stock
($.10 Par Value)

Price $5 per Share

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer these securities in this State.

UNDERWRITERS

First Broad Street Corp.

Russell & Saxe, Inc. **Street & Company, Inc.**

V. S. Wickett & Company, Inc. **Flomenhaft, Seidler & Co., Inc.**

November 30, 1960

Digitized for FRASER
http://fraser.stlouisfed.org/

Some Thoughts on Public Policy and Dollar Problem

By Dr. John Kenneth Galbraith*, *Paul M. Warburg Professor of Economics, Harvard University, Cambridge, Mass.*

Economist, who before the recent political campaign was nationally known for writing best-sellers, strongly disclaims press reports of being an adviser to President-elect Kennedy. Here he addresses himself to such solutions of our dollar problem as: (1) creating overall responsibility and control over foreign outlays; (2) tying overseas outlays to balance of payment and not to budgetary considerations; and (3) improving our cost structure with particular reference to price of and wage making in the steel industry. Dr. Galbraith opposes devaluation; favors common management in monetary policy; chides ultra-conservatives and liberals who, though they favor opposite policies, believe their proposals would automatically take care of the payments-balance problem. He observes no simple and direct correlation between foreign aid and economic progress, and hopes American manufacturers located in Western Europe will find ECM trade protection unattractively small.

For months, even years now, a change has been in the making in our economic situation which will have a penetrating effect on both our foreign and domestic policy. It stems from our relations, economic and otherwise, with the rest of the world. I would like to deal with some of its implications; I believe these are deeper and more comprehensive than we have yet imagined. I would like to explore these consequences or possible consequences. Surely it is unnecessary for me to say that I do this as an individual and a fellow - academician. In recent months I have seen myself referred to quite often as an adviser to important people. This has been endlessly nourishing to my vanity. Perhaps the only thing that has impaired my feeling of pride has been the knowledge that my position has been so largely by appointment of the press. I trust no one will feel badly when I state that I speak only as a professor.

John K. Galbraith

There are many points at which one can come to grips with our changed relation to the world. Perhaps the most familiar is in terms of the strength or scarcity of the dollar. For most of our modern history the dollar has been a currency of rare strength derived from an often uncomfortable scarcity. This scarcity has been the result of a persistently high demand for American goods and services in other countries and a recurrent difficulty in selling foreign goods here, or—given the interruptions of war—in finding them to sell. Since World War I the shortage of dollars has been accentuated by the need to find them to service indebtedness to the United States.

In the last 10 years things have changed dramatically. Until the end of last year our sales of products and services were at best constant. Our purchase of foreign products was rising moderately. Our payments for foreign services, which include those to our armed forces abroad, have been very high and rising. Last year nothing was left over to cover government grants for military and economic aid of some $2.5 billions or private and public capital exports of $2.8 billions. After subtracting some other items accruing in our favor, we had a net deficit of $3.8 billions. This was the most recent in a long series of such deficits. The cumulative result is formidable. At the end of 1952 the gold stock, less foreign dollar holdings, totalled $11.5 billions; by June of this year the gold stock less the liquid dollar holdings of foreigners was minus $3.3 billions. This was a net deterioration over the seven and a half years of $14.87 billions.[1]

In two respects these figures exaggerate the problem. Among the items contributing to the imbalance, as noted, are long-term capital exports — investments by American individuals and firms in foreign countries. This means that the short-term claims on the United States are partially offset by long-term claims on other countries. And this year our exports of goods and services have been rather better than last year —in recent months they have totalled $1.5 to $1.7 billion as compared with a monthly average of $1.36 billion in each of the last two years. But the deficit in our international accounts will again be very large, especially when increased capital exports are counted in.

These deficits cannot continue. Were they to do so they would establish a top-heavy volume of claims against our economy—one which, were they withdrawn or partly withdrawn could cause serious complications here at home and gravely undermine our ability to sustain our payments abroad. On our ability to make such payments our foreign position and policy depend. Our foreign policy has always depended less on the skill of our diplomats than on our ability to back it, as needed, with money.

Our Failure to See the Whole

The solution is one that to a remarkable degree unites what we have hitherto considered diverse and separate aspects of our national policy. Military strategy is obviously involved, for different deployments of our forces will have substantially differing effects on our dollar outlays abroad. So is our policy on military aid. So also is our policy on economic assistance; and our ability to negotiate access to overseas markets. But this is not a problem that begins or ends at the water's edge. No line divides foreign and domestic policy. Our ability to sell abroad, or to meet foreign competition here at home, depends on our ability to control inflation; and on the stability in underlying wages and prices, and on our rate of technological advance, and even on the nature of our farm policy. Indeed, there is scarcely an aspect of our economic policy which is not in some measure involved.

This raises the first of the problems we encounter in looking toward solution.

Our habit in these matters, academic as well as political, is to departmentalize things. Our military stance is a military matter for the military specialist. The civilian intervenes with a well-developed sense of his own peril and the knowledge that he may well be accused, in his ignorance, of jeopardizing national security. Domestic economic policy is something between the unions, the corporations and the Congress. Or it is in the professional province of the specialist on domestic economic issues—on monetary and fiscal policy and the nature of wage and price-making. In recent times foreign aid has developed its own mystique; there are those who understand its relations to a modern foreign policy and those who do not. The first rise automatically to its defense; suggestions from others are automatically suspect. Is there not some secret design to pare it down?

Indeed, not only is it our habit to compartmentalize such debate but it is badly poisoned by the suspicion, or the fact, or ulterior motive. Some past civilian intervention in military planning has been for the plain purpose of cutting outlays, and, hopefully, taxes. The threat of foreign competition is the oldest device for flogging the unions. Those who have told us that we cannot afford foreign aid have, in many cases, not wanted to afford much of anything. Many have long been attracted by the idea of using foreign policy as a way of smuggling in needed or desired domestic change—or reaction. What cannot be sold on its own merits becomes necessary because of the Russians. So, as though our problem were not otherwise sufficiently complex, we must additionally apply a saliva test for self-interest. Fortunately, as a nation, this is an exercise in which we are not unlearned.

Chides Ultra Conservative Solution

We shall have some interesting examples of ulterior motive in proposals to deal with the dollar problem as the discussion sharpens in the months ahead. Some will say that we need only adopt the most conservative of all policies to insure a return to balance. Providence, it will be held, awards its prizes in economic affairs to those who inflict the maximum of suffering on their poorer citizens So let us raise interest rates, cut back needed public spending, apply the pressures of unemployment to the labor unions and of a buyer's market to business and let us pare our economic aid tc the bone. Then all will be well. The state of semi-depression here at home will keep the unions docile, wages low and prices competitive — and high returns to capital will cause holders of liquid assets everywhere to have the warmest possible thoughts of New York. This program will not be unattractive to those who feel that, although McKinley encounters difficulties at the ballot box he might still be smuggled in under the guise of financial necessity.

But, though I count myself a liberal, fairness requires me to guess that some will also hold that if the domestic economy is suitably flourishing—if we have high and improving employment and a suitable rate of growth—the balance of payments will automatically take care of itself. Economic health at home means economic health abroad. Unfortunately prosperous countries, enjoying full employment, can have balance of payments problems. And if they must meet, as must we, a heavy burden of military obligations abroad, it is likely that they will. We are faced not with a problem in attitude but in arithmetic. It is not one that is changed by a change in Administration. I remember on the evening of the attack on Pearl Harbor amidst much reference to national dedication hearing William Knudsen observe: "Tomorrow there will still be a shortage of copper."

Suggests Solution

I have suggested that solution will require a unification of economic, diplomatic and military policy. Let me suggest, partly by way of example, what will be required.

It is central to our strategy that we expand our exports and to see that our products are competitive in our own markets. We cannot accomplish the latter by restricting imports; that will only bring retaliatory action against the exports we must have. But we can and must look to our costs. Thus the competitive ability of an industrial company depends, among other things, on an efficient and low-cost supply of steel. In recent years our steel prices have become uncompetitive. As a result, in steel and steel products. we have been losing out in third markets, and even here at home. And high steel prices have weakened our position on other products—as recent studies of the Joint Economic Committee have shown. So the dollar problem is closely involved with price and wage making in the steel industry. I would hope, incidentally. that this might be a consideration in any steel price change that might now be in the making.

And more generally the constant upward thrust of our industrial prices is no longer a purely domestic issue. The country that leads the inflation parade, as we have in a number of important industrial prices in these last years, keeps itself at a constant competitive disadvantage. For the future, we must make sure that we lag not lead. Again, our past competitive position has depended on a high rate of technological innovation and advance. This is now a factor in our international position. It is especially so for much of the industrial plant of western Europe is new and modern. So is that of Japan. And so, one may add, is that of Russia. Here the balance of payments problem leads on to encouragement to plant modernization and technological advance and to tax policy. I would hope, incidentally, that it might be possible to have a serious discussion of such encouragement without stimulating a raft of new and imaginative suggestions for pure tax avoidance.

Our dollar position extends to our farm policy for, while some of our industry is running into competitive difficulty in foreign markets, our leadership in agricultural efficiency is still unchallenged. We ought not sacrifice this advantage by a system of price supports that prices us out of overseas markets. There are ways of supporting farm income —for example the techniques employed now for sugar and wool— which do not do so. The choice is no longer a purely domestic matter.

Finally, one need hardly say our monetary policy is related to the dollar problem. As a considerable holder of what amounts to demand deposits, we must behave in a manner designed to inspire the confidence of depositors. This does not mean, as I imagine some may have hoped, that our interest rates must always be higher than those of any other country. It does require that we move our interest rates in reasonable concert with others, and a measure of common management in monetary policy must now be a prime goal of the major industrial powers. There are surely few matters on which we have more to gain by intelligent co-operation. Needless to say, we must exclude all talk about devaluation. It is not, in fact, a remedy that survives any serious thought.

Would Limit Outlays to Balance Of Payments Consideration

Next, we cannot escape the problem presented by our large overseas outlays. Were it not for these our position would be very strong. Our deployment of military force has long been subject to the budget—to what we are prepared to spend for national security. In the future it cannot be entirely independent of balance-of-payment considerations. I should like to be clear about this; I am not urging withdrawal from Europe or Korea. But I am saying that where once we sought the best deployment for the money, in the future we will have to seek the best deployment for the dollars.

I would imagine also that we must give ever closer attention to the security we buy with the scarce dollars. In 20 countries around the world, suburban America has been reproduced in large and agreeable cities with well-stocked commissaries and a far better servant situation than in Scarsdale, New York. Is it possible that some of these cities date to the time when dollars were not scarce but all too plentiful and when it was good sense to make them widely available? Once again the intrusion of economic calculation is unavoidable.

It is also unavoidable in our diplomacy. Since the war American policy toward Europe has looked with much sympathy on the development of larger and stronger trading communities. The Common Market, in particular, has been almost as much a

[1] I am indebted for the specific calculation to Professor Robert Triffin of Yale University.

All of these debentures and the common stock have been purchased by the undersigned, under terms of an agreement between the parties. This advertisement appears as a matter of record only.

NEW ISSUE December 1, 1960

$139,000.00

RAWCO INSTRUMENTS, INC.

5% Convertible Debentures and Common Stock

Electro-Science Investors, Inc., has committed $300,000.00 for purchase of additional 5% convertible debentures when needs for further funds develop and upon fulfillment of certain conditions by Rawco Instruments, Inc.

Electro-Science Investors, Inc.

A Federal Licensee Under the Small Business Investment Act of 1958

727 South Central Expressway, Richardson, Texas

Digitized for FRASER
http://fraser.stlouisfed.org/

goal of our policy as of France and Germany. I, for one, would think that it should so remain. But surely we are right in hoping that this and the Free Trade Area will ease trade between members without making it more difficult for non-members. We can have unification with low tariffs and we can have unification with high tariffs and the first is now not only important but imperative for us. It will be a mark of success for our diplomacy if American manufacturers, who have set up shop in the Common Market, find their ultimate tariff advantage unattractively small.

I am not making a complete list of the policies which bear upon the dollar problem. I am seeking to show how pervasive, in the months ahead, will be its influence. And one could go on to smaller details. Perhaps it will affect our attitudes toward visas for foreigners for increased tourist spending here is one possible offset for our considerable tourist outlays abroad. It has already affected our view of trade with the Soviets. Exports to Russia, which once were examined with such meticulous care lest some damaging gadget might end up in Bolshevist hands or some critic of the government be led to suspect softness on communism, were $22.4 millions in the first eight months of this year. That is to be compared with $7.4 millions in all of 1959.

Does Not Consider Foreign Aid Sacrosanct

Let me conclude with two final observations. One item in our balance of payments which is certain to come in for special scrutiny is foreign economic aid. It is not a large item; among the great aggregates with which we are dealing, it is rather small. But, as there is an old view that the budget of the United States government can best be balanced by saving money on the Bureau of Labor Statistics, so economic aid will always present itself to some as the outstanding candidate for economy in overseas expenditures.

I would hope that this tendency might be resisted. This aid remains our greatest initiative in post-war foreign policy. It is fundamental for our esteem, and maybe also for self-esteem. It unquestionably should be shared as it has been and will be. But nothing could so damage us the world around as a policy that sought to sustain our military power at the expense of efforts to aid the poor people of the poor lands.

Yet I would hope that liberals, including liberal educators, would not consider economic aid in its present form to be wholly sacrosanct. For, as with troop deployment, the techniques of farm price support or our policy on tourists' visas, we cannot be sorry for anything that requires us to take a second look. In recent years we have been too ready to persuade ourselves of a simple and direct relationship between pecuniary expenditure and economic progress. In fact there is no close relationship. And certainly there is no assurance that economic aid, however ample, will lead to orderly and progressive development.

Economic and social development is a product of many ingredients. Money was not the missing ingredient in Cuba; things would not have been improved there by more economic aid. They would have been helped by a strong and unqualified stand in support of representative government, individual liberty, and economic and social justice. Israel is economically one of the most progressive countries in the world, but not because of its great capital resources. Favored though it is by its supporters and friends, its situation is far less good than that of its oil-rich neighbors. Israel develops because its people are more widely literate and much better educated than others and because they know that the society exists for them and that it regards them in some relation to their contribution. That confidence is unfortunately rather rare in the underdeveloped world.

Were we forced to think of these problems in the course of husbanding our dollars—of education as a mainspring of economic development or the hopelessness of economic advance by people who have no reason to expect a share of its fruits—it would be no misfortune. We need to act, in the future, in light of the whole process of economic and social change—a process, incidentally, which will not be quite the same in any two countries. There is a good chance that in these last years—and I do not confine myself by these words to the Republican years—we have been buying the right to avoid difficult thought.

Finally, one is tempted to wonder if a determined and effective solution of the dollar problem—and we can settle for nothing less—won't require some new public arrangements. At the present time a great many different agencies of government are spending dollars abroad. Even more have an effect on those we earn. These expenditures and receipts, now not less than domestic outlays and taxes, are magnitudes we must watch. Until 30 years ago the responsibility for Federal expenditures was diffused among the executive agencies. Each dealt independently with the Congress. Responsibility and over-all control was won only by concentrating authority over these expenditures in the Director of the Budget. Perhaps the day is not distant when we must think, if not in similar, at least in analogous terms about our foreign resources. These, too, must be husbanded and used with maximum effect. We must, it is certain, have a single and authoritative view of our prospective revenues and outlays—one that will cause us to weigh priorities among the latter. This would seem to me the minimum course of prudence and caution.

The problem I have been discussing is an important one. It has provoked a good deal of discussion among able economists and responsible public leaders. And while I frankly think steps toward correction have been slow, I do not wish to minimize the importance of those that have been taken or are under way. But certainly a large task remains. I do not think it is a task that is beyond doing. And it would be a sign of maturity were we to approach it with a certain calm. Perhaps we might do better than that. I would gather that those who deal with the problem of lunar probes or the recovery of space vehicles find in their difficult path a certain challenge. So it might be here. Perhaps we will get no action until we have an adequately dramatic portrayal of early disaster. Perhaps we can act only out of a sense of despair. We may hope that this is not the case.

*An address by Dr. Galbraith before the annual meeting of the American Association of Land-Grant and State Universities, Washington, D. C., Nov. 16, 1960.

Heads Phila. Dept. Of Eastman Dillon

PHILADELPHIA, Pa. — Eastman Dillon, Union Securities & Co. Philadelphia National Bank Building, has announced that F Stanton Moyer has become associated with them as Manager of the Corporate Department of their Pennsylvania Division, with headquarters in Philadelphia.

Ending Impasse With Bonn On Paying U.S. Army Costs

By Paul Einzig

Dr. Einzig is not too surprised at Western Germany's reply to Treasury Secretary Anderson's proposal for alleviating part of our gold drain problem. The British columnist believes he knows how the nub of the problem arising from German invisible exports created by the cost of troops stationed there can be solved. He suggests that the Allied Governments raise the necessary D. marks by means of long-term loans to be issued in Western Germany.

LONDON, England — The failure of the attempt of Mr. Anderson and Mr. Dillon to persuade Dr. Adenauer to contribute towards the costs of the U. S. Army in West Germany did not come as a surprise in London. British official circles have long realized that it is easier to get blood out of a stone than to induce the German Government to pay a fair share of the upkeep of Allied Forces without which West Germany would be at the mercy of Mr. Khrushchev's motorized divisions. When sterling was in difficulty the relief obtained from Bonn was ungenerous, and now that it is the dollar that needs strengthening the response of Bonn seems to be equally tight-fisted.

Of course lip-service is being paid in Bonn to the need for the free world to stand together, and the importance of assisting the U. S. Administration in their effort to strengthen the dollar in the interest of the free world is readily admitted. But when it comes to action to that end—that is another story.

There are three ways in which West Germany could effectively assist in deflecting the drain of funds that is responsible for the flow of gold from New York to Frankfort.

(1) By deliberate action to increase imports and thereby to create a adverse trade balance.

(2) By allowing the influx of gold to produce its natural effect on the German price level.

(3) By relieving the U. S. of a substantial proportion of the burden of the cost of American troops in Germany.

The Federal Government is not prepared to take action in either direction. Admittedly, its hands in respect of imports are no longer free. West Germany is now part of the Common Market, and its external tariff is determined by the joint policy of the Six. Moreover, the increase of trade within the Six is bound to be detrimental, in the short run at any rate, to American exports to Germany. Nothing could be done about it without upsetting the European Common Market.

Nor is Germany prepared to allow the gold influx to produce its full natural effect on the price level, even though it would solve the problem by reducing or eliminating the embarrassing export surplus. Fear of inflation is presented as the explanation of this unwillingness to play the game of the Bretton Woods variety of the gold standard according to the rules of the game. Remembering Germany's experience in advanced inflation that explanation sounds genuine enough.

The unwillingness to contribute towards the upkeep of the American Forces is explained on the ground that it would mean higher taxation. But then, if in the absence of American and other Allied Forces on German soil, Germany were to be faced with the urgent necessity to strengthen its national defenses, the costs involved would inevitably necessitate higher taxation.

Khrushchev Would Gain

The arguments for and against support could be continued indefinitely, and there can be no doubt that Mr. Khrushchev would greatly enjoy the spectacle of sharp disagreement between the Western Allies. Instead of giving him that satisfaction, the Allied statesmen should put their heads together in an effort to find a solution.

The following is a formula I should like to recommend to Bonn, Washington, London and the other Allied capitals for careful consideration:

From now on the financing of the costs of Allied troops in Germany must be arranged in such a way as to prevent it from producing invisible exports for the benefit of Germany and producing invisible imports to the detriment of the United States and other Allies. Since Germany is not prepared to cover those costs at the German taxpayer's expense, the alternative solution would be for the Allied Governments to raise the necessary D. marks by means of long-term loans to be issued in West Germany.

This principle should be applied retrospectively as far as possible, which would mean that, not only would the flow of gold from New York to Frankfort be checked but, as a result of the issue of U. S. loans in Germany, some of the excess gold imports of recent years would return to the U. S.

The German Government could have no valid objection to this formula. The loans would be issued on terms acceptable to the German investor. The arrangement would not cost anything to the German taxpayer who would continue to enjoy the benefit of being protected by U. S. Forces without having to contribute towards their upkeep. All that Germany would lose would be the benefit of the invisible exports represented by the D. mark expenditure of the U. S. Forces. If the German Government's protestations of its desire to assist in the effort to strengthen the dollar are sincere it could raise no valid objection to bringing to an end the present state of affairs, which the U. S. could ill afford to continue indefinitely.

It is true, the application of my formula would bring no relief to the U. S. taxpayer. Indeed the service of the proposed loans would be an additional burden. On the other hand, there would be an immediate major relief to the U. S. balance of payments. Its effect would enable the Administration to adopt a softer monetary policy, since there would be less need for defending the dollar with hard money measures. The resulting business revival would more than compensate the U. S. taxpayer for the additional moderate burden. And the restoration of harmonious relations in the West would please everybody on this side of the Iron Curtain.

R. W. Lord With Harris, Upham

CHICAGO, Ill.—Richard W. Lord has become associated with Harris, Upham & Co., 135 South La Salle St. He was formerly Chicago manager for J. R. Williston & Beane, and prior thereto was with Bache & Co.

This announcement is neither an offer to sell nor a solicitation to buy any of these securities. The offering is to be made only by the Prospectus.

NEW ISSUE

$1,500,000

DAVEGA STORES CORPORATION

6½% Convertible Subordinated Debentures

Due August 1, 1975

These securities are subject to preemptive rights of existing stockholders of the Company to purchase such securities; such offer will expire on December 14, 1960. Such of these shares not subscribed will then be offered to the public at large.

Subscription Price $100

Copies of the Prospectus may be obtained from the Undersigned in any State in which the Undersigned may legally offer these shares in compliance with the securities laws of such State.

Amos Treat & Co., Inc.

Wm. Stix Wasserman & Co., Inc. **Bruno-Lenchner, Inc.**

A. D. Gilhart & Co., Inc.

November 28, 1960

Digitized for FRASER
http://fraser.stlouisfed.org/

Government's Role in Solving Our Economic Problems

By Dr. Neil H. Jacoby*, *Dean, Graduate School of Business Administration, University of California, Los Angeles, Calif., and Former Member of the Council of Economic Advisers*

Coping with structural unemployment, not solvable by easy money or government spending, is but one of six major problems affecting our economic growth pace which require specific governmental programs of action. Dr. Jacoby accuses the advocates of "easy money" for ignoring the damaging effects of persistent inflation on the efficiency of management, labor and investment spending. He provides data showing that the present administration's spending in the public service sector equals that of Truman's last year of office, and questions the need for raising expenditures and taxes. Dr. Jacoby would like to see structural reforms in our taxes and larger Federal spending in basic research and education. As for the first problem, he proposes that the President-elect hold a conference on unemployment as soon as he takes office.

If we wish to understand the proper role of Federal government in the Sixties, we must first of all identify the economic goals of the American people which it is the purpose of government to help us attain.

Dr. Neil Jacoby

The economic goals of the United States are being extensively discussed. As a result of this discussion it has become clear that the economic policies and actions of our Federal government are shaped primarily by an effort to attain five different ends, namely: to expand individual freedom; to promote equality of opportunity; to moderate business cycles while maintaining a high level of employment; to stabilize price levels, and to foster economic growth.

Each of these goals emerged to a position of prominence in our national consciousness at a different era of our history. Each led to its own distinctive type of economic policy.

Historically, the maintenance of individual freedom was the economic goal first to receive formal recognition. The preamble to the Constitution asserts that the Federal government was established in order to secure, among other things, "the blessings of liberty."

The economic goal of equalizing opportunity and reducing inequality was the next to emerge. The great expansion of our nation, especially after the Civil War, created dramatic extremes in personal incomes and wealth. Public desire to reduce inequality by expanding personal opportunities found expression in the free public school system, in child labor laws, and in factory safety and health regulations. Another significant action to reduce inequality was the enactment of the Federal progressive personal income tax in 1913, and progressive death taxes.

The goal of moderating business fluctuations and maintaining high employment emerged with the disaster of the Great Depression of the 1930s. It dominated American economic policy right up to the passage of the Employment Act of 1946. The nation achieved full employment with the coming of World War II. But the haunting fear of chronic mass unemployment continued to dominate the thinking of Americans. It led Congress to enact the Employment Act of 1946, which committed government to use all of its powers and resources to maintain a high level of employment. The Employment Act did not of itself add to the powers of government to intervene in the economy. It simply established machinery, notably the Council of Economic Advisers to the President and the Joint Economic Committee of Congress, to bring about a better co-ordination of existing powers.

But the postwar era has been free of serious recessions. It has been marked by large defense expenditures and by sporadic inflations rather than by a deficiency of demand. Hence, the fear of mass unemployment receded in the public mind, and the economic goal of a stable price level came to the fore during the 1950s, both in the United States and in other countries.

Most recently, the spotlight has shifted to the goal of "economic growth." This change has come about because price levels have remained fairly stable. There has been growing unemployment, owing mainly to technological change. Economic competition with the Soviet Union has become a primary front in the "cold war" between East and West. Recently, our Federal government has acted to augment the growth of the U. S. economy. It established the National Aviation and Space Agency; it passed the National Defense Education Act; it greatly expanded its support of basic research through the National Science Foundation. These are desirable kinds of Federal action to foster progress, but much more is needed.

What lessons can be learn from this brief review? Clearly, it reveals how our dominant economic goals have changed with national circumstances and needs. It reveals that the American people pursue a plurality of goals, rather than a single goal. Finally, this review leads us to inquire what kinds of new Federal policies and actions are needed in order to produce rapid economic progress—the goal that will probably dominate American economic aims during the 1960s.

First, let us define this goal a little more precisely.

A Dominant Economic Goal For the Sixties

It is regrettable that recent public discussion of economic progress in the U. S. and other countries has been conducted in the narrow context of comparing annual rates of increase in GNP. Mr. Khrushchev of the Soviet Union asserts that Soviet GNP is growing faster than U. S. GNP and this proves the superiority of communism over capitalism. So far, our best reply has been that Soviet GNP will not grow as fast in the future as it has in the past, and, anyway, the amount of our GNP is still much greater. Unwittingly, we seem to have been drawn into a "numbers game" with the U. S. S. R. in which our opponents are both making the rules and keeping the score!

It is time the U. S. broke out of this semantic trap. Let us reject the increase of GNP as an adequate criterion of economic progress. GNP includes investment goods and military outlays which do not add to the current welfare of the consumers, which is the ultimate aim of any humane economy. More important, GNP ignores most improvements in the quality of living, and all increases in **leisure time**, which is one of the great boons of an advancing civilization. A truer measure of economic progress is the rate of increase in productivity, in output-per-man-hour. This shows how much more output is produced for each hour of labor input. It is easy to increase production as the Soviet Union does, by making women, youths and older people work, or by working longer hours. Real economic progress occurs when output rises **without** additional work. In short, **efficiency is the heart of economic progress.** Gains in efficiency have been about two and one-half times as important as increases in the number of man-hours worked in raising American production in the past. It follows that increasingly efficient use of all our work force is the key to rapid progress in the future. Increasing efficiency should be the central theme of a Federal strategy for rapid economic progress in the 1960s.

Strategy for Rapid Economic Progress in the Sixties

How can be translate this general strategy into more specific programs of action by the Federal government? I suggest that there are six major problem areas in the U. S. economy at the present time which require study and action by the Congress and the Federal executive. They are:

First, reduction of the rising "structural" unemployment caused by technological progress and automation.

Second, utilizing our farm manpower more efficiently.

Third, extending competition by applying our anti-monopoly laws to all private organizations, including labor unions and cooperatives as well as businesses.

Fourth, making fiscal and monetary policies more effective.

Fifth, revising Federal taxes to strengthen incentives, and to augment savings and risk-taking investment.

Sixth, promoting basic research and education in all fields and at all levels.

Let us examine these problems in turn.

First, Structural Unemployment

"Structural" unemployment is that kind of involuntary idleness which results from basic shifts in demand or in technology, and which cannot be cured simply by expanding aggregate demand through monetary and fiscal measures. Many idle coal miners in West Virginia, railroad workers in Pennsylvania, and farm workers in the Deep South are structurally unemployed, or under-employed, through good times and bad. For the past three years the unemployed have formed between 5% and 7% of the labor force—too much for comfort. An increasing part of them have been idle because of technological changes. As more and more of the processes of production and distribution are automated, structural unemployment will increase — unless government, business and labor unions join in constructive programs to overcome it. Why should our society lose the goods and services these unemployed could produce, if they were properly retrained and relocated in the new industries and occupations **that automation itself creates?** By this means alone we could add about $5 billion to the annual output of the U. S. economy today.

Here is a vital problem that will become more important as automation spreads. It will never be solved by super-easy-money policies or massive government spending, as some Democrats have argued. Nor will it "go away," as some Republicans hope. Because interstate measures are needed, it is the role of the Federal government to take leadership in designing new means of enabling our economy to adjust to change.

What are the approaches to this problem? One approach is to reduce undue restrictions by labor unions and municipalities upon entry into jobs and upon the movement of people. (This is part of the problem of monopoly power.) Another requirement is research to develop better information about demands and supplies of various skills in local labor markets, and wide dissemination of this knowledge to guide people in retraining and relocation. (For example, idle auto workers in Detroit should learn promptly of the strong demand for auto mechanics in Los Angeles.) Still another need is loans or grants to finance the retraining of displaced workers, or their movement to new areas where job opportunities exist. Pension and benefit plans should be revised to eliminate penalties on employees who move to new jobs. A vast increase must occur in vocational education. Area development programs play a part. By all these and other means, we can banish the fear that workers feel about technological changes which threaten their jobs. A fast-paced technological society cannot afford to leave labor supply-demand relations to chance; it must act to speed up adjustments. **One of the first acts of the next President should be to convene a working conference of the best minds in business, labor, government and the universities to develop solutions to structural unemployment.** I suggest it be called the Conference on Adjustments to Technological Progress.

Second, Monopoly Power

A second critical economic problem of our age is how to deal with undue concentrations of monopoly power—in business or in labor or elsewhere. They have led to crippling work stoppages such as the disastrous steel strike of 1959. They cause undue restrictions upon the entry of workers into trade. They produce "featherbed" work rules, raise prices, restrict production and hinder the mobility of capital and labor. Clearly, the reduction of monopoly power and the extension of competition are important means of making the U. S. economy more efficient.

One desirable measure is to extend our anti-monopoly laws to cover all private economic organizations, including labor unions and co-operatives as well as business firms. The **principle** of a truly general anti-monopoly law is surely sound. Is it not paradoxical that the United States, which relies primarily upon competition in open markets for the proper allocation of resources, exempts such important private economic organizations as unions and co-operatives from most of its anti-monopoly laws? Clearly, the government of a progressive economy cannot afford to allow any private group to set up barriers to entry into new trades or occupations, or to engage in predatory acts, or to restrict production, or to endanger the national security by work stoppages in key industries.

Third, Farm Policy

Public discussion of farm policies unfortunately has come to be narrowly focused on the disposal of surpluses. The more basic issues are: How to bring about a long-run balance between demand and supply of agricultural products? How to move several million relatively unproductive farm workers into more rewarding occupations? Further annual tinkering with the level of price supports or new refinements in production controls will avail little, and will only compound our difficulties in the end.

The plain fact is that a **strong new policy for agriculture has become essential,** both to stop the waste of billions of dollars to finance the production of unneeded farm products, and to increase the productivity of many people now in agriculture. As the Committee for Economic Development and other objective analysts now agree, a rational farm program requires the scheduled removal over a period of several years of **all** price supports, **all** acreage allotments, and **all** marketing controls. It should embrace relocation and retraining grants to assist submarginal farmers to enter more promising industries. It should assure all farmers a minimum income under adverse economic circumstances. It must also embrace programs to dispose of existing surpluses, but without the "dumping" that has strained U. S. relations with other countries that depend on farm exports for their living. A programmed return to free-market pricing over a period of four or five years would remove a source of friction in our international relations. It would produce a more productive use of manpower, stimulate growth, and diminish inflationary pressure.

Fourth, Monetary and Fiscal Policies

The monetary and fiscal policies that will help move our economy toward its objectives need to be clarified and strengthened. Two large issues have emerged, which were debated in the Presidential election campaign. They are: Whether U. S. economic progress will be stimulated by a **flexible** monetary policy or by a policy of **continuous monetary ease;** and whether or not U. S. economic progress requires an enlargement of Federal expenditures relative to the national income. These are commonly called the "easy money" and "big government" questions.

(A) **Continuous "Easy Money."** The theory is advanced that the "tight money" policies, occasionally imposed by the Federal Reserve authorities, have "slowed the growth" of our economy. Some theorists say that the present Administration has bought a stable price level at the cost of unemployment. They call for a monetary policy of more or less continuous ease, instead of the flexible policy that has been pursued. They allege that "tight money" policies have produced the rising interest rates of recent years, which they say are doing much damage to the American people.

I fail to find merit in these contentions. In a free economy, the amount of aggregate demand is the product of millions of independent decisions of households, businesses and governments. These decisions are affected by people's psychological attitudes, which rise and fall through time. For this reason, the Federal Reserve must restrain aggregate demand when it becomes over-exuberant, and must encourage demand when it flags. A flexible monetary policy is a necessary balance wheel. Under a policy of continuous monetary ease, excessive demand and inflation would be inevitable.

Some advocates of continuous "easy money" concede that it would produce inflation; but they argue that the economy would benefit nevertheless by fuller employment and more rapid growth of output. I believe that their conclusion is in error, mainly because they ignore **the damaging effects of persistent inflationary pressure on efficiency** which, as we have seen, is the most important factor in increasing production. If a boom is allowed to go unchecked long enough, it leads to lessened efficiency in management (nearly every business makes a profit), lower productivity by workers (nearly anyone can hold a job), and misdirection of investment (nearly all investments seem to pay off). Occasional checks to the growth of

Digitized for FRASER
http://fraser.stlouisfed.org/

demand thus spur workers, managers and investors to greater efficiency in order to maintain their earnings under less favorable conditions. In the initial years of expansion after years of business pause or recession, output per man-hour has spurted sharply upward, (i.e. 1955). When a boom has grown old, the rise in productivity has fallen sharply (i.e. 1957). The evidence — admittedly incomplete — strongly suggests that a flexible monetary policy **fosters** the long-term progress of a free economy and does not retard it. There are, of course, many other reasons—including our international balance of payments—why a policy of continuous monetary ease is not only undesirable but will not be feasible for the United States in the Sixties.

(B) **"Big Government."** A second major issue is whether large increases in Federal expenditures and higher taxes are necessary to bring about more rapid economic progress. Some academic figures have characterized the contemporary American economy as one of "private opulence and public squalor." They accuse the present Administration of "starving" the public services. They propose to restore our alleged "loss of national power" by a great increase in the proportion of national income spent by government.

The facts flatly refute the assertion that the Federal services have been "starved" by the Eisenhower administration. If one computes the percentage of the national income formed by all Federal cash payments (which is the most accurate and comprehensive measure of the scope of Federal activity), he finds that it was 23% in the fiscal year 1952, the last complete year of Democratic rule, and again 23% in the most recent fiscal year 1960! Federal expenditures bear the same relation to national income today that they bore eight years ago. If, indeed, Eisenhower has "starved" the public services, we must conclude that their malnutrition had already begun under Truman!

The important point, however, is that the advocates of "big government" have failed to demonstrate the **need** for the relative enlargement of Federal Government at the expense of the private sector. Have they considered the large amount of wasteful **current** Federal expenditures which should be directed into productive, growth-promoting channels? Have they taken into account the huge annual increments of revenue that the **present** Federal tax system will produce in a growing economy?

Granted that the nation would benefit from larger Federal outlays on defense, education, and research, it would also profit from **reductions** of other kinds of expenditures which are not giving our society full value per dollar. Two billion or more are annually wasted on farm subsidies. Great sums are spent on benefits to veterans and their families not related to war service. We maintain at great cost excess naval and air bases which have become technologically obsolete, because Congressmen insist on them. How great a thrust we could give to economic progress by redirecting into basic research and education, the $4.5 billion of present expenditures now wasted each year.

Moreover, the present Federal tax system produces an **annual increment** of about $3.5 billion, as a result of normal economic growth under a stable price level. Over a 10-year period Federal revenues can rise nearly 50%. I challenge protagonists of a bigger Federal Government to describe **worthwhile** Federal peacetime projects that will require all of this huge increase in revenue, far less a further increase in taxes!

Some new fiscal policies will, of course, enhance the growth and stability of our economy. For example, the coverage, duration and scale of unemployment insurance benefits should be enlarged. And Congress should give the Executive power to adjust income tax rates within prescribed limits. But the prospect is that the present balance between the private and public sectors of the U. S. economy need not and will not be materially changed during the 1960's.

Fifth, Structural Reform of Federal Taxes

A truly critical matter is revision of the structure of Federal taxes. The personal income tax has grown in weight and intricacy to a point where it is having seriously adverse effects upon incentives, savings and investment. The tax is incredibly complicated. It encourages evasion and avoidance, and tax morale seems to be slipping. Exclusions, deductions and exemptions have been carried so far that less than 40% of all personal income is actually subjected to tax. Yet progressive rates have been pushed to the almost confiscatory level of 92%, at the Federal level. To escape these rates people set up family trusts, buy tax-exempt securities, transform ordinary income into capital gains, and go into the oil and gas business. Heavy taxation of personal and corporate incomes is reducing productive effort, diminishing savings and distorting investment. Thus, it is impeding the progress of the U. S. economy.

At the minimum, we should reduce the corporate income tax rate, bring down progressive personal tax rates to more realistic levels, and make more adequate allowances for the depreciation of business assets. If the candidates and the American people really intend to put strong emphasis upon economic policies that will accelerate the progress of our economy, then they must support a broader-based and simpler system of income taxation. This will help to narrow the gap between the 25% of its national product that the Soviet Union is plowing back into investment every year, and the mere 15% that the U. S. is now devoting to capital formation.

Sixth, Promoting Basic Research And Education

The Federal government can augment progress by making larger investments in basic research and education. One of the striking findings of recent economic research is that the increase of knowledge and its propagation among people is a much more weighty cause of economic progress than the increase of machinery and equipment per worker. Investments in the knowledge and skills of people pay off more richly than investments in machines and buildings. Because basic research and education produce their returns over a long span of time, and their values are widely diffused throughout society, it is wise for government to spend liberally for these purposes.

Among measures to be considered are Federally sponsored research institutes and a great extension of Federal Scholarships and Fellowships.

In Conclusion

If the American people demand that their Federal government pursue policies to raise the efficiency of the U. S. economy "across the boards," the 1960s can mark the greatest decade of economic progress in our history. By revising rather than by enlarging its role in the U. S. economy, government can enable our country to continue its technological and industrial leadership of the world.

*An address by Dr. Jacoby before the American Petroleum Institute, Chicago, Ill., Nov. 9, 1960.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Random Notes

The difference between the United States and other countries, particularly Latin America, is that the youngsters in this country are juvenile delinquents while in other countries they are revolutionists. Venezuela is today going through a revolution staged by young university students. We think our kids are terrible when they steal automobiles and engage in hold-ups. Quite often the headlines relate how such transgressions are even indulged in by young individuals of fine social and economic backgrounds. No excuse, apparently, in the world, for their action. But it is little better than conducting a revolution against the government.

Wiseacres in Washington are betting that the only result of the Republicans' demand for a recount in Illinois where Kennedy won by only some 9,000 votes, will be that State's Attorney Adamowski will indict several hundred election officials and there it will end. After all, you can't recount a voting machine, it is pointed out, and the state of Illinois has voting machines in more than two-thirds of the state.

Mr. Kennedy's headache when he enters office will be Latin America and the drain on our gold reserves. Speculation is rife as to whether he won't cut down on foreign aid. There has been building up in Congress for years a movement to cut it down. Congressman Passman of Louisiana, is the ring leader of it. Certainly foreign aid will have to be cut down if the drain on gold is to be halted.

As to domestic spending, Mr. Kennedy will run into trouble on his new frontiers campaign. His point in the campaign that his medical aid program will not cost any new money is deceptive. All those on social security will have their taxes increased. A man making $4,600 a year is now taxed $140 for social security and can't get any of it back until he is 72 years old, providing he earns $1,200 a year.

Minority Leader of the House Charles A. Halleck has already been in conference with Representatives Howard of Virginia, Chairman of the House Rules Committee, and Congressman Colmer of Mississippi, a member of the Committee, with a view to restoring the old Southern Conservative-Republican coalition to head off any wild spending on Kennedy's part. With these two men sitting on legislation the Rules Committee is in a tie and any radical legislation is bottled up.

That is what the Rules Committee is for, to weed out good and bad legislation. There are 437 members of the House and it is realized that some sort of a check is necessary. These 437 members introduce about 1800 bills a session. They range over the whole scale of human grievances, hopes and ambitions.

Several years ago there was an uprising against the stranglehold of the committee and the House adopted a rule by which the Chairman of a committee could call up a bill after 30 days, thereby bypassing the Rules Committee. It didn't work and the House returned to the Rules Committee procedure. It is the so-called liberals who want the committee's powers curtailed now. I doubt seriously that the House in its sober judgment will make any change.

Many members introduce bills solely for publicity purposes in the knowledge that if they get by the committee the Rules Committee will hold them up.

The liberals, so-called, are making all sorts of threats.

They are going to punish Harry Byrd of Virginia, Colmer, Whitten of Mississippi, for not giving their support to the ticket.

Harry Byrd, one of the most respected men in the Senate, is keeping his silence and going his serene way. He would never tell who he supported in Virginia. After all, he didn't bolt the ticket. No one knows how he voted. They will have a hard time removing him from his Chairmanship of the Senate Finance Committee.

Erdman Partner Of Harris, Upham

Harris, Upham & Company, 120 Broadway, New York, members of the New York Stock Exchange, have announced that William E. Erdman, an associate of the company for 25 years, has been elected a partner and will represent the firm in that capacity on the floor of the American Stock Exchange.

William E. Erdman

Real Estate Mutual

SAN DIEGO, Calif.—Real Estate Mutual Distributors, Inc., is engaging in a securities business from offices in the Bank of America Building. Officers are Byron F. White, President; Paul A. Peterson, Vice President, and Charles W. Froehlich, Secretary-Treasurer.

N. Seymour Co. Formed

PERTH AMBOY, N. J.—Nathan Seymour & Co., Inc., has been formed with offices at 58 Madison Ave. to engage in a securities business. Officers are Seymour Buchsbaum, President and Treasurer; Dr. Paul Zito, Vice President, and Rosalie Zito, Secretary. Mr. Buchsbaum has been connected with B. N. Rubin & Co.

R. E. Williams Opens

HO-HO-KUS, N. J.—Roy E. Williams is conducting a securities business from offices at 50 Franklin Turnpike.

Now With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Robert J. Zolg has become affiliated with Paine, Webber, Jackson & Curtis, 626 South Spring St. He was formerly with Dean Witter & Co.

Joins Reynolds Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—James C. Graziani has joined the staff of Reynolds & Co., 425 Montgomery St. He was formerly with Walston & Co., Inc.

This announcement is not an offer to sell or a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

November 29, 1960

$1,500,000

TENAX, INC.

5¾% Convertible Subordinated Debentures
Due October 1, 1970

Price 100% plus Accrued Interest

Copies of the Prospectus may be obtained from the undersigned and from such other dealers as may lawfully offer these securities in this state.

MYRON A. LOMASNEY & CO.

67 Broad Street New York 4, N. Y.

BOwling Green 9-8120

Digitized for FRASER
http://fraser.stlouisfed.org/

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

FOURTH FEDERAL RESERVE DISTRICT BANK STOCKS

The Fourth Federal Reserve District, which includes western Pennsylvania, Ohio and parts of West Virginia and Kentucky, has bank headquarters in Cleveland and branches in Cincinnati and Pittsburgh. Twelve of the nation's leading member banks are based in the area. While population growth during the past decade has been stagnant in Pennsylvania and Kentucky and while West Virginia actually has lost population, Ohio has had an above average population growth, up 22.1% since 1950. The rise probably has been fostered by the amiable folks who moved out of rural West Virginia.

The heart of the greatest industrial complex of the nation is the able description given to this Fourth District area. The region has diversified into chemicals, plastics, rubber goods, paints, glass, and non-ferrous metals in more recent years. Historically the area has been built around the steel and automotive industries. Proximity to raw materials of steel making—coke, iron ore, and limestone—readily are available to industrial plants. The regaining of some of the area's formerly strong position in automotive production has taken place. Over a dozen leading steel companies, five rubber goods firms, four oil concerns and four glass producers are among the nation's leading manufacturing companies headquartered in the District.

The emergence of the St. Lawrence Seaway is providing an economical all-water route to markets and is supplementing the present key rail transportation network. Greater Cleveland's "best location in the nation" industrial theme certainly should find strong support from people who show a preference for living to work over working to live. Educational facilities are excellent, productivity rates are high, and per capita income rates are notably lofty. Leisure time hours, for those individuals with excess energy after a day's work, can be utilized for such spectator or "sit-down" sports as baseball, football, and hockey which seem to be the dominating interests of the area.

Although as a group the banks representative of the region do not stand out significantly in growth of assets, deposits, or loans, the capital funds to deposits positions are strong in several instances. Since limited branch banking is allowed, the banks mainly combine wholesale and retail banking services. Cleveland Trust has 70 branch offices, Mellon National and Pittsburgh National have over 60 and 50 branches respectively, while Central National has over 30 branches in operation. Two banks not covered in the tables presented, BancOhio Corp. of Columbus and Society National Bank of Cleveland, also rank among the nation's leading banks. Recent small acquisition steps include First National Bank, Elmwood Place, by First National of Cincinnati and First National Bank, New Kensington, by Pittsburgh National Bank.

Major Banks in the Fourth Federal Reserve District

	*Deposits 9/30/60	** Percentage Change Total Deposits	Total Assets	Total Loans	Oper. Earns.	Book Value
CLEVELAND—						
Cleveland Trust	$1,319	2.2%	3.3%	5.0%	n.a.	9.5%
National City Bank	701	1.8	3.4	8.7	29.3%	11.1
Central National	535	3.2	4.0	5.5	18.8	4.5
Union Commerce	251	11.2	6.1	1.6	29.9	6.3
PITTSBURGH—						
Mellon National	1,832	3.2	3.6	—3.1	10.5	4.3
Pittsburgh National	848	—2.5	—1.1	8.4	19.5	4.3
CINCINNATI—						
First National	407	2.4	2.8	11.6	n.a.	5.6
Fifth Third Union	316	3.6	3.9	8.5	n.a.	5.4
Central Trust	272	2.5	3.0	—2.3	n.a.	6.4
TOLEDO—						
Toledo Trust	312	2.1	3.6	6.4	n.a.	8.0

*Millions of dollars. **Sept. 30, 1960 over Sept. 30, 1959. n.a. Not available.

Nine months 1960 per share earnings for Cleveland banks were $5.30, $3.03 and $3.51 for National City, Central National, and Union Commerce, respectively. For Mellon National per share earnings for the same period were $7.16, and for Pittsburgh National, $2.33. For the first half of 1960, earnings for Cleveland Trust and Central Trust Company were $15.88 and $3.60. The other banks have not reported interim 1960 earnings.

Per Share Statistics

	Approx. Bid Price Range 1960-1959	Recent Mean Price	Divid.	Yield	1959 Earn.	*Book Value	Shares Outstg. (000)
CLEVELAND—							
Cleveland Trust	370-293	361	$6.00	1.7%	$26.96	$278.73	450
National City Bank	80- 63	82	2.40	2.9	5.91	53.36	1,331
Central National	50- 39	48	2.00	4.2	3.76	41.51	1,085
Union Commerce	56- 44	56	2.20	3.9	4.23	43.21	730
PITTSBURGH—							
Mellon National	172-127	141	4.00	2.8	8.76	114.58	2,610
Pittsburgh Natl.	39- 29	36	1.52	4.2	2.68	30.24	3,026
CINCINNATI—							
First National	59- 43	56	2.40	4.3	4.02	42.07	1,000
Fifth Third Un.	68- 50	69	2.50	3.6	5.55	65.88	500
Central Trust	80- 67	78	3.00	3.8	6.88	70.32	370
TOLEDO—							
Toledo Trust	143- 92	145	3.00	2.1	11.16	107.46	200

*Book Value as of Sept. 30, 1960.

In November, 1960, Toledo Trust Co. paid a 11.1% stock dividend and in July, 1960, a 10% stock dividend was paid by Central Trust Co. The last stock dividends by Cleveland Trust and National City Bank of Cleveland were declared in January, 1959 and December, 1959 respectively. Mellon National usually declares a 2% stock dividend during the first quarter of the year. Fifth Third Union Trust recently has proposed increasing shares to 600,000 for a stock dividend.

Several of the banks covered have yet to achieve national marketability for their shares, thus investment opportunities are limited mainly to the Cleveland and Pittsburgh banks.

J. W. Davis Joins Parker, Ford Co.

DALLAS, Texas.—Parker, Ford & Co., Inc., Vaughn Building, has acquired the outstanding stock of the Davis Securities Co. of Dallas. The announcement was made by Leslie P. Lagoni, Parker, Ford Board Chairman.

James Walker Davis

Mr. Lagoni said Jas. Walker Davis, former President of Davis Securities, has joined the Parker, Ford Dallas office. Mr. Davis will continue to service all accounts held by the Davis Securities firm, with the added advantage to the clients of Parker, Ford's extensive investment banking facilities.

Mr. Lagoni said the absorption of Davis Securities was another of a series of planned moves in the Parker, Ford expansion program.

Butler, Herrick Branches

Butler, Herrick & Marshall, members New York Stock Exchange, have opened two new Long Island branch offices at 25 West Merrick Road in Freeport and 76-11A 37th Avenue in Jackson Heights. These new offices bring to eight the number of Long Island offices managed by the firm.

Robert W. Terry will manage the Freeport office while George M. Corning and John C. Cronin will co-manage the Jackson Heights operations.

Mr. Terry, a long time resident of the Freeport area, with more than 25 years' experience in the securities business will have associated with him Edgar A. Weigand as registered representative.

Mr. Corning and Mr. Cronin have been active in the securities business in Jackson Heights for many years. Associated with them are Louis Brocoli and Mrs. Lillian Weigand as registered representatives.

James Richardson Branch

LONDON, Ont., Canada — James Richardson & Sons has opened a branch office at 267 Dundas St., under the management of R. G. Griffith.

To Be Miller, Newman

Effective Dec. 9 the firm name of Newman & Co., Inc., 45 Wall Street, New York City, members of the New York Stock Exchange, will be changed to Miller, Newman & Zimmermann & Co., Inc. Irwin Miller will become President of the new organization, and George O. Zimmerman, Vice-Preident and Treasurer.

New Walston Branch

HOUSTON, Texas — Walston & Co., Inc. has opened a branch office at 808 Travis under the management of Ralph E. Thomas and John A. Thackston.

11 N. Y. CITY BANK STOCKS

3rd Quarter Earnings Comparison

Bulletin on Request

LAIRD, BISSELL & MEEDS
Members New York Stock Exchange
Members American Stock Exchange
120 BROADWAY, NEW YORK 5, N. Y.
Telephone: BArclay 7-3500
Bell Teletype NY 1-1248-49
Specialists in Bank Stocks

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Customer's Friendship and an Alert, Cooperative Staff Creates Business

This case history of a substantial order provides an interesting example of how profitable business can be developed when sound procedures are operating. Last week I was on a hurried trip to a city which is about 1200 miles from my home base. While there on other business, I obtained an order for a large block of an Over-the-Counter stock from a man in New York State, who was referred to my office at home by one of his friends who was also a valued client in my home city. The client telephoned to my home office that his friend was in the market and he wanted me to get busy and obtain the order. Here was a triangle with the sides over a thousand miles apart, the client, the man with the potential order, and myself.

Why the Referral

There are some customers who develop into close friends. You may be temperamentally akin to them and you may create a spirit of cooperation between the two of you. There are also people who want to see you do more business and succeed, because they like to help others, and they also like you. When these friendships develop naturally it is one of the most satisfying things that can happen to a man in his business career.

It is not always necessary to be a financial wizard, and be right every time, in order to keep such a business relationship healthy. Of course, you must do a good job for people and work for them, and their interests, at all times. The man who made this referral has given me many orders over the years. Never has he doubted that these orders would be executed at the best possible price and at the standard rate of commission. Also, although there have been some mistakes and recommendations that were not profitable, he has confidence that his interest was placed first when suggestions for purchase or sale were submitted. There have been times when I have suggested that he did not buy — right or wrong he knows that I have called them the way they looked to me and he has been a wonderful client and a good friend.

Home Office on the Job

When my customer heard that his friend was in the market he immediately thought of me. He recommended me over long distance telephone and he told the man in New York State that I would contact him immediately. Then he called my office and gave them the information but he learned that I was out of town. Now here's an important rule — keep in touch with your home base when on trips or out in the field. It so happens that my firm has an office in the city I was visiting and when I got in touch with them they had a message for me. I immediately called my secretary and she arranged to have our cooperative operator run the long distance call I made through our switchboard right into the office of the client. Although his voice was a bit weak, he gave me the story and in five minutes I had the man in New York on the telephone. He was impressed by the alertness of my organization, and he obviously liked the recommendation my client had given to him, and it turned out that I had one small transaction with this man several months ago and an account had already been opened. We got together on his limit as to price and went to work. This was accomplished in less than fifteen minutes. It is quite an age in which we are living when you think about it.

Thank You, Mr. Client

But there was still some unfinished business. How about my client? Wasn't it thoughtful of him to line up this business for me over the telephone when I was away from my office? He spoke with his friend first, then he called me. Who was on his mind? And Dutton appreciates it. So immediately I wired another cooperative, helpful associate in my office who is in charge of trading and who will handle this order, and I said, "Tell our customer how grateful I am for sending me this business and that I will say so in person when I return." And this I have done!

N.Y.S.E. Approves Insurance Plan

The Board of Governors of the New York Stock Exchange has approved a plan calling for expanded mandatory fidelity insurance coverage by all member organizations doing business with the public, Keith Funston, President of the Exchange, has announced.

The plan requires those member firms and corporations to carry protection against possible loss due to fraud or dishonest acts on the part of their personnel.

The program, as it affects the 574 member organizations doing business with the public, will:

Require fidelity insurance coverage, for the first time, on general partners of member firms.

Revise minimums for the fidelity coverage now required for employees of member organizations and officers of member corporations.

Mr. Funston said that minimum required coverage will be based on each firm's capital requirements.

Mr. Funston declared that the new plan is the result of an exhaustive study. To make the Board's new ruling feasible, he explained, a standard form of "stockbroker partnership bond" has been developed by the insurance industry working with representatives of the Exchange. This type of fidelity insurance has not been generally available.

The new insurance requirements are contained in a revision of Rule 319 of the Exchange's General Rules. This is to take effect within approximately six to eight weeks, depending on the time it takes for insurance companies to comply with the filing requirements of the various states and for member firms to arrange for the new coverage through their insurance brokers. Member organizations will be advised in advance of the effective date of the new requirements.

Mr. Funston added that studies are also under way to determine what additional steps may be indicated to further implement this insurance program.

Digitized for FRASER
http://fraser.stlouisfed.org/

THE MARKET . . . AND YOU

BY WALLACE STREETE

Trading picked up tempo this week and the markets broadened out considerably to indicate mostly that cross-currents and much year-end cleaning up are indicated for the stock market for awhile.

There have been some schools of thought that figured that the sharp downturns of September and October, plus the uncertainties of a Presidential election, had prompted much of the usual year-end cleaning up and tax selling prematurely this year. They concluded that consequently there would be little more to be absorbed between Thanksgiving and Christmas. Such notions now seem inaccurate.

Where the pre-election markets had seen a shade under 1200 issues appear on the tape, the session this week embraced well above 1200 issues per session, one producing 1266 which is only three under the broadest market of the year, that of Jan. 6.

Turnover, which had dropped to a norm of below the three million mark early in November, was running between 3½ and four million shares.

Market Holds

Easiness in a few of the blue chips persisted to hobble the industrial average. Losses were distinctly minor so the average that had ranged from 685 to 566 through 1960 was still, until this week, able to hold stubbornly above the 600 line where the immediate post-election rally had carried it. Breaks in foreign markets, including that in Tokyo and, more particularly, in London, seemed to have little effect on prices or market sentiment locally.

Only a handful of market spectators were looking for any robust year-end rally, yet, the majority were preaching caution so the narrow moves of the stock averages put the general market more or less in line with expectations.

There was little on the horizon to prompt more decisive market action. Business news continued drab and market analysts were talking of the doldrums continuing until the normal spring pickup. There was little on the economic scene to spur anything, particularly since it will be two months before the aims and plans of the new Administration are unfolded fully.

Dividend news was pretty much discounted in advance, even where the action was unfavorable. The lists of new lows pointed to some additional year-end cleaning up, even in well-depressed issues, such as Chrysler, Bethlehem Steel, Standard Oil of Jersey, New York Central and Louisville & Nashville.

Defensive Issues Liked

Defensive issues were favored and foods were prominent at new highs, the selected favorites in this category including Coca Cola, Campbell Soup, Pillsbury, Hershey Chocolate, Gerber Products, Borden, Chock Full O'Nuts, newly-listed Borman Foods, California Packing, Hunt Foods, Consolidated Foods, Wrigley, National Biscuit, Minute Maid and H. J. Heinz—a rather long and comprehensive list.

The machine tool group was faring a bit better than it has in a long time, both on reports that foreign sales of machinery are doing well, and on expectations that a spring pickup in domestic business will find them back in some popularity after a long hiatus.

Ex-Cell-O has been a neglected member in this group, holding all year in a range of less than a dozen points and lately well above its 1960 low. Ex-Cell-O is one of the first to report its 1960 earnings since its fiscal year concluded with the end of November. Estimates indicated increased profit which could help the stock along. It currently offers a yield well in the 4% bracket.

Also expected to make a good showing with its foreign markets' expansion is Chicago Pneumatic Tool. The company is one of the more neglected since its range this year has been less than eight points, despite the fact that its dividend was recently increased and estimates are for higher sales and earnings this year. Its yield is well into the 5% bracket, and the price has been around 10 points under last year's high even though machine tool issues were far from being market bellwethers last year.

Newly-Traded Food Issue

In the defensive foods, Borman hasn't had much time to build up a wide investment interest since it was only added to listed trading in mid-year and only had its first public offering early last year. Borman consists of a chain of supermarkets operating in the Detroit metropolitan area with the somewhat misleading name of "Food Fair." It has no connection with Food Fair Stores, or with other companies using the name in other sections of the country.

Borman has increased its dividend twice since it has been publicly held and has shown an uptrend in its profit for the last four years. It operates with a fiscal year ending June 30, and based on the experience of nearly half of the year, the company has been able to predict a sales increase of around 25% for the current fiscal year. Its well-covered dividend payment, which was larded by a 3% stock payment in the 1960 period, shows room for further improvement, with it likely that the stock payment extra will be retained.

Through the desultory markets there was still a good demand for various publishing company stocks, McGraw-Hill Publishing standing out prominently on the list of new highs, showing fat gains during sessions when demand centered on it. Earnings of McGraw-Hill are expected to set a new record this year, so its payout for the year already has been bolstered by a year-end extra. It is a below-average yielding item since its recent strength. But with earnings expected to come to almost double its dividend commitment, there obviously are hopes of more liberality in the future to justify its market popularity.

Electronics Bumped

Electronics have found the going bumpy lately, even such volatile items as Texas Instruments running into urgent profit-taking on any show of strength. Motorola is still favorably regarded in some quarters because it is among the giants in the consumer market, with the sales growth from its increasing participation in the prime electronic fields only starting to show. Nearly three-fifths of its present volume is consumer and automotive products. Like the other electronics, Motorola doesn't loom importantly on any lists of high yields. It is an issue, however, where the floating supply of the shares is reduced by the fact that more than a third of its capitalization is tightly held.

Steels Evoke Interest

Steel shares, and the steel industry and its problems, all have made up a major enigma. Some market students are determined to avoid steel stocks completely. Others welcome declines in the prices of the shares as bargains, since the industry that has had its bad time so early in the recession could be the first to show an upturn as business prospects improve.

A yield of 6% didn't keep Bethlehem Steel from appearing on this week's list of new lows. Yet Bethlehem, like most of the others, has shown an ability to turn in a profit even during poor business conditions that contrast oddly with some of the high estimates of break-even points made during the hectic post-War II expansion. Some of the companies reported profits even when operating at less than half of capacity. So the premier boom-bust industry of the past has made some changes.

The followers of the steels several times have been caught by premature predictions that the end of inventory liquidation by steel users and hence an improvement in the steel operating rates, was at hand. But the thinking is that sooner or later one of these predictions certainly will have to be the right one. Steel use assuredly is running ahead of steel shipments, and it is a simple law that this cannot continue indefinitely. Meanwhile on well-depressed prices, such issues as Republic and Youngstown Sheet among the giants are offering returns of better than 5½%.

[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.]

Pistell, Crow Names Officers

John C. Pistell and Hoosain M. Dharamsey have been elected Executive Vice-Presidents of Pistell, Crow Inc., 50 Broadway, New York City, members of the American Stock Exchange.

Gerard L. Regard was elected a Vice-President of the firm.

Cleveland Analysts to Hear

CLEVELAND, Ohio — David S. Meiklejohn of American Machine & Foundry will be guest speaker at the luncheon meeting of the Cleveland Society of Security Analysts to be held Dec. 7 at the Mid Day Club.

Stone & Webster Names 3 V.-Ps.

Stone & Webster Securities Corporation, 90 Broad Street, New York City, announced the election of Charles F. Bookwalter, Edward W. Holland and Stuart Mac R. Wyeth as Vice-Presidents of the firm. Messrs Bookwalter and Holland are associated with the firm in its New York office and Mr. Wyeth will continue as manager of the Philadelphia office.

Stuart M. Wyeth

Edward W. Holland

C. F. Bookwalter

Mr. Bookwalter joined the Stone & Webster organization in 1928 and continued with it until 1959 except for war years when he was overseas with the U. S. Army. He joined Stone & Webster Securities Corporation in 1959 in the New Business Dept. He was recently elected President of Broadstone Realty Corporation, a wholly-owned subsidiary of the Securities Corporation, which is engaged in lease financing.

Mr. Holland has been with the corporation since 1944, beginning in the institutional sales department and later serving as Assistant Vice-President in charge of the New York sales organization. He will continue as manager of the Sales Department in the New York office.

Sec. Deposit Ins. Corp. Proposed

The establishment of a Security Deposit Insurance Corporation to guarantee the public against any losses resulting from failure of a security firm along the lines of the recent Boston catastrophe was proposed to the New York Security Dealers Association at a meeting, Nov. 29, by former Assemblyman John Lamula, President of John Lamula Investors, Inc., members of the association.

Mr. Lamula's statement continued in part: "As members we propose to the New York Security Dealers Association a system of assessment, based upon volume and patterned after the Federal Deposit Insurance Corporation insuring bank deposits, which establishes a fund to guarantee the public against losses.

"The first consideration for security dealers in this era, if we truly merit the responsibility, lies foremost in the protection of the public. Wall Street must recognize the great opportunity to police the industry voluntarily. Otherwise we face justified government crackdown. The challenge is clear, and men of good will must accept the responsibility that goes with the trust they enjoy.

"The initial step taken by the New York Stock Exchange to guarantee the Boston losses and at the same time require their member firms to be bonded is clearly a step in the right direction which copes with the problem and simultaneously forestalls government intervention. The New York Security Dealers Association and at a later date, the NASD, should seriously consider our proposal of a deposit system or perhaps an alternate proposal of a group bond to effect the same objectives."

Mr. Lamula, a former Assemblyman, is now Deputy Clerk of the New York State Assembly and Assistant to the Speaker.

This is neither an offer to buy nor a solicitation of an offer to sell any of these securities. The offering is made solely by the Prospectus.

NEW ISSUE November 29, 1960

180,000 Shares

Robosonics, Inc.

COMMON STOCK

(Par Value $.25 per Share)

OFFERING PRICE: $5.00 PER SHARE

Copies of the Prospectus may be obtained from the undersigned and from such other dealers as may lawfully offer these securities in this State.

Mandell & Kahn, Inc.

Time & Life Building, Rockefeller Center New York 20, N. Y.

PLaza 7-2030

Digitized for FRASER
http://fraser.stlouisfed.org/

The U. S. and World Trade

By A. L. Gitlow, Professor of Economics, New York University

Economics professor reviews international economic developments bearing on our balance of payment problem. Stressed is the importance of trade to us and to our allies, and the mounting matter of easing the drain of U. S. dollars and gold. Professor Gitlow says the cause of the latter "may not be placed primarily at the doorstep of competition from foreign-produced goods and services." He notes steps taken to mitigate the causes of our world payments problem, and hopes everyone will act to encourage the unity and integration of the free world.

Some Americans have minimized the importance of foreign trade to U. S. well-being. In support of their view, these persons usually point out that American exports are a small proportion of gross national product. In 1958, for example, total exports of goods and services, excluding only military transfers undergrants, amounted to $23.2 billion or 5.3% of a $441.7 billion GNP. In a similar vein, total 1958 imports of goods and services, excluding military expenditures, amounted to $17.4 billion or 3.9% of GNP. Such an argument is fallacious. In a sense, it is like arguing that the heart's importance to the body is small because the organ's poundage is little relative to total body weight.

Abraham L. Gitlow

The significance of foreign trade to the American economy is better seen when we note that in the late 1960's some 4.5 million workers were employed in such activities. While 1958 exports of goods and services represented only 5.3% of GNP, it was of much greater relative impotrance in several specific industries. In 1956, between 25 and 40% of America's cotton, wheat, rice, fats, and oils, and tobacco output was sold abroad.[1] 26% of its output of construtcion and mining equipment went to foreign lands, as did 11% of U. S. machine tools. Of probably greater importance, foreign trade brings the United States a wide range of raw materials and produced goods vital to its industrial economy and consumer satisfaction. In the absence of trade with other nations, many of these items would be either totally lacking or available in sufficient amounts. The point goes far beyond the average American's accustomed cup of coffee, tea, or cocoa. It is more basic than bone china. Towards the end of World War II, for the first time in its history, the U. S. A. became a **net** importer of raw materials. It is to remain so. According to the Office of President, the U. S. obtains from foreign sources large quantities of crude petroleum, iron ore, copper, rubber, raw wool, tin nickel, and newsprint. "Most of our supplies of various ferroalloying areas and metals come from abroad as do industrial diamonds, mica, and asbestos."[2]

Clearly, it would be economically suicidal for the U. S. to seriously impair, let alone to sever, its trade relationships with the rest of the world.

Trade and National Security

Economic strength is an elemental underpinning of military prowess. In a tense world, America's defensive posture and national security require: (1) continued availability of raw materials necessary to its productive organization; and (2) the creation and continued existence of stable, peaceful, and friendly nations abroad. The underdeveloped nations of the world are important to U. S. well-being and safety. Many of them, in Africa, Latin-America, and Asia, are vital to America as sources of raw materials. Failure to achieve reasonable economic progress in the underdeveloped nations is likely to bring extreme and totalitarian leaderships into control of their governments, with **potentially dangerous consequences for all the planet's inhabitants.**

It is worth noting, additionally, that the United States is an important market to both underdeveloped and to other industrialized economies. It hurts them if America takes actions which restrict their ability to sell it goods and services. Colombia, Mexico, and Cuba ship over two-thirds of their total exports to the U. S. A. Canada sends some 60% of her exports. Brazil and the Phillippines send better than 50% of theirs. In particular goods, many other nations sell heavily in the American market. It takes two-thirds of Chile's copper, one-fourth of Indonesia's rubber, one-third of Bolivia's tin, over one-half of Brazil's coffee, and about 40% of Portugal's cork output. Over one-third of Switzerland's production of watches and watch movements is exported to the U. S.[3] The U. S. is necessary to these countries. And they are necessary to it.

United States Policy Issues

These observations highlight the importance of those American national policies which affect international trade. Especially significant are: (1) U. S. agricultural price support programs; (2) U. S. foreign aid programs, both military and economic; and (3) America's reciprocal trade agreements program, which is under continuous pressure from protectionist groups.

The Agricultural Price-Support Programs. U. S. farm programs rest on price supports as their major feature. However, there is an essential conflict between the idea of domestic price supports and a freer flow of foreign trade. The conflict may be simply stated. The supported crops include some which the United States normally imports, as well as those which it does not import in any significant amounts. In both instances, effective domestic price supports at levels above those in the world markets stimulate the importation of foreign produced supplies. If unchecked, America accumulates surpluses from the entire world. Having serious problems, it is clear the U. S. will not permit this to occur. In short, it must insulate its price-supported domestic market for agricultural commodities from the world market. That is, it practices protectionism in these areas.

Consider agricultural crops which are normally exported. By creating and maintaining high domestic price supports above world market levels, the U. S. cuts off foreign sales of its output and increases its domestic stocks. As the nation accumulates substantial surpluses, the world markets tremble at the huge supplies which it holds and which overhang and unsettle them. Every U. S. action in attempting disposal stimulates fears that it will "dump" surplus stocks and drive down world prices. A freer flow of international trade is not encouraged thereby, for other nations look to measures capable of protecting themselves from "dumping" activities—potential as well as actual.

The Foreign Aid Programs. Setting aside military aid, U. S. economic assistance to other countries since the end of World War II has fallen largely into these two categories: (1) aid aimed at the reconstruction of western Europe and other war devastated areas; and (2) aid aimed at encouraging and enabling economic growth in underdeveloped nations. By the end of the decade of the 1950's, the first of these two broad objectives had been stunningly successful. The nations we helped rose from the ashes of war. Taking American assistance, they helped themselves by hard and conscientious labor. In particular, the western European nations and Japan enjoyed an enormous economic resurgence to prosperity and high levels of production. One consequence of this resurgence was their enlarged ability to ship their products to the American market, where they often competed with the output of U. S. producers and stimulated some of them to demand proectionist actions by the U. S. Government. Important national policy issues are involved, e.g.: (1) shall America increase the protection afforded U. S. producers against their resurgent competitors in other industrialized nations?; and (2) shall it seek greater contributions by its now healthy friends in such areas as aid to underdeveloped nations and mutual military security measures?

The Reciprocal Trade Agreements Program. The first question posed brings up a fundamental U. S. policy: the reciprocal trade agreements program which was first enacted by the Congress in 1934, and which has been reenacted subsequently every time it has expired and come up for renewal. Briefly, the Reciprocal Trade Agreements Act of 1934 represented a major shift in U. S. tariff policy from the generally increasing tariffs which had marked America's prior protectionist patern. Indeed, U. S. tariff rates had reached a peak in the 1930 Smoot-Hawley law. In 1934, the U. S. turned toward a freer trade policy. Under the Reciprocal Trade Agreements program, the Congress granted the President the power to reduce U. S. tariffs on imported goods in exchange for reciprocal concessions granted by other nations to American exports. As subsequently amended, tariffs of about 80% between 1934 and 1960.

Note the passing observation above that the history of America's foreign trade policy is marked by a strong protectionist tendency. While this tendency was substantially reversed in 1934, protectionist influences continued to command considerable support in the sentiments of the American people — and for their elected representatives. Given this background, it should surprise no one that the economic resurgence of the western European nations and Japan during the 1950's, in addition to enlarging their effectiveness as competitive producers, served to stimulate protectionist pleas by some American producers. The political pressures thereby loosed upon U. S. legislators have several times caused considerable concern over whether or not the Congress would continue the Reciprocal Trade Agreements program, or emasculate it to meaninglessness. The issue is vital to the U. S. and the entire free world.

The U. S. Balance of Payments

While international trade is important to the United States, it is equally true that the U. S. is important in the trade of the world's free nations. America is a great market for their goods and services, as it is a tremendous supplier of goods and services to them. Since World War II, this production collossus, with its vast resources and enormous output of farm and factory, has helped to rebuild western Europe, has worked to develop underdeveloped nations, and has contributed the lion's share to the defense and security of the free world. These activities and relationships between the U. S. and the remainder of the free world give the former's balance of trade and balance of payments particular importance. So much so that the U. S. dollar has become an international currency, to the point sometimes overshadowing that other and long-standing international currency — the English pound sterling.[4]

A look at the U. S. balance of payments situation in the eight-year period 1946-1953 reveals an important shift which occurred in 1950. Thus, the immediate post World War II years were characterized by a "dollar deficit" in foreign nations. This deficit, aggregating some $7.1 billion for the four years 1946-1949, reflected a fantastically "favorable" U. S. balance of trade. America purchased relatively few goods and services from other nations as compared with its exports of goods and services, a situation explained largely by the war's devastation which limited output in many other countries. Even its substantial outward movement of private capital and remittances plus its massive grant and aid programs failed to provide other nations with sufficient dollars and gold to pay it. Consequently, other nations drew down their previously accumulated dollar and gold holdings. This affected foreign exchange rates, compelling governments with various controls over such rates to adjust their controlled rates until they came into line with the underlying foreign exchange demand supply realities, which in turn, reflected the balance of payments picture presented here. Thus, late in 1949, England devalued the £ relative to the U. S. $, making their official rate £1-$2.80.

In the four years 1950-1953, the U. S. balance of trade, while still "favorable," was much less so than during the prior four year period. War devasted economies had been reconstructed and restored to production. More and more they had goods and services to sell. Americans had both the wish and the means to buy. While U. S. Government grants and aid were reduced in scale, from $23.4 billion in 1946-1949 to $13.2 billion in 1950-53, the nation's imports of goods and services jumped by $24.1 billion. This contributed greatly to the rebuilding of foreign gold and dollar holdings, which increased by $7.8 billion in the four years.

Other nations were buying their imports from the U. S. by providing America with goods and services wanted by it. This was generally accepted as a healthy development, being much sounder than an international situation in which one nation acts as a perpetual provider of various forms of charity to others. However, it should be emphasized that the U. S. balance of trade shift was not from "favorable" to "unfavorable," but from grossly "favorable" to moderately "favorable." If the U. S. Government had had **no** grant and aid programs in the period 1950-53, the so-called dollar surplus would have been changed to a dollar deficit.

Large Scale Rise in Payments Level

Let us sharpen and update the picture by looking at the U. S. balance of payments for 1959. These points are particularly noteworthy:

(1) the level of international payments between the U. S. and the rest of the world, reflecting recovery from war and extraordinary economic growth in the western European nations, rose greatly, from an annual average of $18 billion in 1946-49, to an annual average of $19.7 billion in 1950-53, to $32 billion in 1959.

(2) the U. S. **balance of trade** remained favorable, with merchandise exports and services totalling $20.1 billion as against merchandise imports and services of $19.6 billion; however,

(3) the outflow of gold and dollars continued, with the amount of the outflow rising from an average annual rate of almost $2 billion in 1950-53 to $5.2 billion in 1959.

The outflow of gold and dollars from the U. S. may not be placed **primarily** at the doorstep of competition from foreign produced goods and services.[5] America's balance of trade, far less "favorable" than under the unusual and unhappy conditions of the immediate postwar period, was still favorable but warranted serious scrutiny. Thus, the foreign buildup of gold and dollars in 1958 rested essentially on U. S. **defense (military) expenditures** for troops and bases in foreign areas and **government aid and grants (non-military).** With these points, we see highlighted the defense and foreign aid issues which stirred great national discussion and Congressional controversy in 1959 and 1960. We also see why some Americans were anxious for their western European partners to: (1) share more in the burden of mutual defense and security; (2) share more in developmental and aid programs in underdeveloped areas; (3) ease their trade barriers against American imports; and (4) ease their controls on convertibility of their own currencies into dollars, which might then be used for purchases of goods and services from the United States.

While other Americans argued as to the relative roles of the U. S. and the western European nations in connection with points 1 and 2 almost all applauded the ideas in points 3 and 4. Interestingly and significantly, the western European nations appreciated the importance of reducing their restrictions on dollars and gold when their holdings of both had increased enormously. To refuse exchange convertibility and to continue other international trade restrictions without any relaxation in the face of these developments would have eventually invited U. S. actions designed to restrict international trade and the outflow of gold and dollars. Thus, at year end 1958, England and other economically advanced western European countries made their currencies convertible into dollars. Simultaneously, restrictions on the amount of foreign exchange (most notably dollars) they permitted their citizens to obtain for foreign travel and purchases were greatly eased.

Easing of Foreign Exchange Control

These actions encourage an increase in U. S. merchandise and service exports. Foreigners who had holdings of foreign currency, say English pound sterling previously not convertible into U. S. dollars, curbed their buying from

1 Subcommitee on Foreign Trade Policy, House of Representatives, *Foreign Trade Policy*, U. S. Government Printing Office, Washington, D. C., 1958, p. 6.

2 *Foreign Trade Policy, op. cit.*, p. 6.

3 *Foreign Trade Policy, op. cit.*, p. 12.

4 By international currency is meant a money that is generally acceptable over the world in the balancing of international payments, without insistence on gold as the balancing medium. Of course, it is implicit that there is international confidence in the currency. Such confidence is open, but not always based on the freedom with which the currency can be converted into gold at least for the purpose of settling international payments balances. Easy convertibility into other currencies and or gold is here presented as a central characteristic of a really effective international currency.

5 This is a general observation, made in the light of the overall figures. It is true that the economically advanced countries of western Europe did offer increasing competition for U. S. produced goods and services. The same point applies to Japan.

Digitized for FRASER
http://fraser.stlouisfed.org/

the U. S. Indeed, this was a basic aim of nonconvertibility. Now, they can obtain dollars and increase their purchases from the U. S. Similarly, foreign tourism in the U. S. was limited by the small number of dollars permitted the citizens of foreign nations for such purposes. This restriction is also eased. The consequences are expected to be further enlargement of international trade, with a reduction of the outflow of dollars and gold from the U. S.

Some reduction in the relative role of the U. S. in mutual defense and world development, coupled with freer international payments policies by other economically advanced nations, will ease the drain of U. S. dollars and gold. However, the longer range problem of the size and expansion of foreign gold and dollar holdings remains. In the entire period 1950-58 free world gold and dollar holdings rose from $18.7 billion to $36.9 billion. The $18.2 billion increase come from: (1) $4.7 billion of new gold production and gold sales by Soviet bloc countries; and (2) an excess of $13.5 billion in U. S. payments over its receipts, of which $4 billion were in gold and $9.5 billion in cash dollars or U. S. Government securities. Excluding foreign gold holdings, at the end of 1958, other nations held $17.6 billion of liquid dollar assets (cash and government securities, but excluding private securities). At the same time the monetary gold stock of the U. S. amounted to about $20.6 billion. It is reasonably clear that a general and persistant loss of confidence in the United States could create calls for dollar conversion into gold which would collapse its monetary gold stock and cause a catastrophe in international trade.

To note the possibility is not to expect its actual occurrence. The dangers being reasonably clear, the steps noted were taken to mitigate them. Beyond that, confidence in the United States depends on more than the international balance of payments. It relates to the image of the U. S. held by its own citizens and other peoples. That image still seems strong in its essential parts, so that a massive run on the U. S. gold stock is unlikely despite the flurry in the London gold market when the price of gold rose above $40. The best hope for all is that everyone will act to encourage the unity and integration of the free world.

Lt.-Gen. Graham Heads Toronto Stock Exchange

TORONTO, Canada — The appointment of Lieutenant-General Howard D. Graham to the Presidency of the Toronto Stock Exchange has been announced by the Board of Governors. He is the second incumbent to occupy the office of full time President chosen from outside the membership; the former President, Arthur J. Trebilcock, Q.C. retired in 1958.

Like his predecessor, General Graham is a lawyer and Queen's Counsel and is now one of counsel associated with the well known Toronto legal firm of McCarthy & McCarthy.

The appointment of an outside president has been discussed with Government of Ontario and both the position and the man have received whole-hearted support.

The new President is well-known throughout Canada, both in military and civil circles and is recognized as an able and experienced organizer, administrator and executive. His military service began as a private soldier serving in France during the First World War and culminated as Lieutenant-General and Chief of the Canadian General Staff in 1958. In recognition of distinguished service in the Second World War he was made a Commander of the Order of the British Empire, and was twice awarded the Distinguished Service Order; he was made an Officer of the Legion of Honour and was awarded the Croix de Guerre and the Legion of Merit of the United States.

Between the two world wars General Graham practiced his profession of law, was active in municipal affairs and maintained a keen interest in military matters.

Following retirement from the army in 1958 the new President undertook two important commissions for the Federal Government which brought him in contact with provincial and muncipal officials in all parts of the country. The first was a study of civil defense organizations in all the provinces, and the second was the task of planning, organizing and conducting the tour of Canada of the Queen and the Duke of Edinburgh in 1959. During the period of the tour he acted as the Queen's Canadian Secretary.

Upon assuming his new appointment early in 1961 General Graham will once again be leaving the practice of law to enter upon a career of public service. He will have under his direction the intricate operation in all its aspects of Canada's major stock exchange.

Cornell Receives Bache Gift

ITHACA, N. Y.—Harold L. Bache, managing partner of Bache & Co., New York, has presented Cornell University with a gift of $100,000 it was announced by Deane W. Malott, President of the University. Mr. Bache is an alumnus of Cornell, class of 1916.

The grant will make possible the construction of a 200-seat auditorium in the new building for the Graduate School of Business and Public Administration which the University plans to erect during the next two years. The auditorium unit will include seminar and conference rooms adjacent to the hall, and the unit will be one of the finest of its kind in the country.

Official Changes At A. C. Allyn

CHICAGO, Ill.—Gordon L. Teach, Vice-President of A. C. Allyn and Company, Incorporated, 121 South La Salle Street, has been appointed General Sales Manager, Douglas Casey, President, announced. Sanford C. Miller, a Vice-President, has been given responsibilities for the Institutional and New Business Departments. James E. Snyder, a Vice-President, has been named in charge of the Syndicate and Research Departments.

Underwood, Neuhaus Co. Appoints to Staff

HOUSTON, Tex. — The appointment of Addison H. Darden to the staff of Underwood, Neuhaus & Co., Incorporated, 724 Travis St., members of the New York Stock Exchange, Texas' oldest investment banking firm, has recently been announced.

Mr. Darden has been associated in the investment and securities field for the last ten years.

Named Director

Michael G. Kletz, President of Michael G. Kletz & Co., Inc., New York investment bankers, has been elected to the board of directors of Arco Electronics, Inc.

Cuba: A Lesson for American Investors

By Roger W. Babson

Despite what Castro has done to date and his official statements in the capitals of Red China and Russia, Mr. Babson believes that the deeply-rooted Cuban Roman Catholicism augurs a satisfactory outcome. Either that or an assassin's bullet will, he says, bring about a change in the Island's direction. The lesson for investors is to be aware of the growing leveling process going on throughout the world in different ways and to, therefore, place a larger portion of their stocks in marketing concerns since they, according to Mr. Babson, offer the better survival prospects.

The Cuban situation has reached a point where it is affecting certain investments. Therefore, I feel that my readers are due an impartial summary of the situation. I have always watched Cuba critically as it is so close to Florida, where I have spent over 30 winters.

Influence of the Catholic Church

I feel that the Cuban situation will come out satisfactorily due to the influence of the Catholic Church. The Cuban people, with their Spanish blood, are emotional and enjoy political and physical fights. They, however, are deeply Roman Catholic in faith. Hence, there is a church safeguard which does not exist in Russia or in many of her satellites.

The Communist Government in Russia has been brutal to the Christian church, due largely to its inheritance of the former Czarist domination which controlled and worked through the orthodox Church. The situation in Cuba, therefore, is entirely different from the situation in Russia and its satellites.

Importance of Marketability

Cuba is rich in soil, rainfall, sunshine, and warm temperatures. It could be the gardenspot of the Americas; but it has been cursed by wretched and unjust government. Castro thinks it necessary only to nationalize the farms, businesses, banks, and the few manufacturing establishments; he seems to give no thought to marketing. Cuba's wonderful productive conditions are of no use if her products cannot be marketed. Cuba's natural market is the United States (which Castro is abusing and doing his best to alienate). This same trading principle is true for the countries of Central America, and even South America; they have the land but lack the marketing facilities for their fruits, coffee, and even minerals, including oil.

This is another reason why I feel investors should have the larger proportion of their common stocks in marketing—rather than in farming, mining, or manufacturing — propositions. Whatever the future may bring as to the ownership of land or the production of crops or the extraction of minerals and oil, there should always be a field for companies engaged in the marketing of these products. This applies to the big concerns such as Sears Roebuck, Montgomery Ward, etc. but especially to the large variety chains, with their stores in all 50 states of the Union. Even in case of World War III, these great marketing organizations might come through the best of all concerned.

Length of the Castro Regime

When Castro, at 32 years of age, conquered Batista and his gang, I thought he was a wonderful fellow. As long as he stuck to military warfare, he fared well; but since he has tackled economic problems, he is ruining the country. How long he can hold out, even with Russia's blessing, no one knows. It seems he is destined to be assassinated by someone whose family he has ruined.

On the other hand, investors should realize that the whole world is passing through a leveling process wherein those who have not are gradually taking away from those who have. In Russia and her satellite countries, this has been done by ruthless stealing of property. In China, goodwill is expropriated, but Mao has sometimes made payment, on his own terms, for actual property taken. Great Britain has experimented with nationalization, and payment has been made for the coal mines, steel companies, railroads, and public utilities that were taken over.

In these United States, the labor leaders have the same goals, but they work through strikes and unfair demands. In all countries, investors are being attacked either by heavy taxation or by guerrilla warfare such as is taking place in Africa. Hence, we investors in the U. S. should be especially on the watch. With only 6% of the people of this world, we have nearly half of the world's wealth. Can this condition always continue? The leveling trend has been going on for centuries. Though I am still hopeful as to Cuba, yet let us keep in mind this world trend.

Cruttenden Firm Acquires Martin Co.

ELKHART, Ind. — Cruttenden, Podesta & Co. has acquired the securities business of the Elkhart, Ind., investment firm of W. F. Martin, Inc., Robert A. Podesta, managing partner, has announced.

William F. Martin has been appointed resident manager of Cruttenden, Podesta's newly acquired office, at 214 South Main St., its fourth branch in Indiana, and its 19th nationwide. Mr. Martin, a veteran of more than 10 years in the securities business, founded his own firm in 1950 and has been its President and Treasurer since that time.

Mr. Podesta stressed that the acquisition involves no loss of local identity for the Elkhart firm, since both Mr. Martin and his staff will continue in their present capacities. "The plus factor accrues to both principals," he said, "in that Mr. Martin's local facilities are now augmented by our network of coast-to-coast investment services, and we have added a strong new member to our growing list of offices in the Midwest."

Cruttenden, Podesta & Co., with head offices in Chicago, is a member of the New York Stock Exchange and other principal exchanges. Its other three Indiana offices are Indianapolis, Fort Wayne and Gary.

Grunebaum Director

Kurt H. Grunebaum, President and a director of New York Hanseatic Corporation, has been elected a director of The Futterman Corporation, it was announced by Robert A. Futterman, President.

Mr. Grunebaum is also President of Nyhaco Credit Corporation, Ltd. as well as a director of the Vanderbilt Tire & Rubber Corporation, Canal-Randolph Corporation, United Stockyards Corporation and other companies.

This announcement is neither an offer to sell nor a solicitation to buy any of these securities. The offering is to be made only by the Prospectus.

NEW ISSUE

130,500 Shares

Alarm Device Manufacturing Co. Inc.

Common Stock
(par value 10¢ per share)

Offering Price: $4.00 Per Share

Copies of the Prospectus may be obtained from the Undersigned in any State in which the Undersigned may legally offer these shares in compliance with the securities laws of such State.

Golkin, Bomback & Co. **Bruno-Lenchner, Inc.**

Edwards & Hanly **E. W. Stewart & Co., Inc.**

November 29, 1960

Digitized for FRASER
http://fraser.stlouisfed.org/

Casey Elected Director

J. Douglas Casey has been elected a member of the Board of Directors of Consolidated Foods Corp., according to an announcement by Nathan Cummings, Chairman.

J. Douglas Casey

Mr. Casey is President of A. C. Allyn & Co., Inc., a Chicago investment banking firm. He also serves as a Director of Fairbanks Morse & Co.; National Can Corp.; Lau Blower Co.; Weco Products Co.; Florida Capital Corp.; Transcontinental Bus System; Charles Vantress Farm, Inc., and the Southern Maryland Agricultural Association of Prince George County.

With May & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oregon — Louis W. O'Donnell is now with May & Co., Inc., 618 Southwest Yamhill Street, members of the Pacific Coast Stock Exchange.

MUTUAL FUND INFORMATION

Incorporated Investors EST. 1925

A mutual fund investing in a list of securities selected for possible long-term growth of capital and income.

Incorporated Income Fund

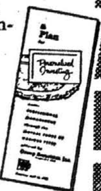
A mutual fund investing in a list of securities selected for current income.

A prospectus on each fund is available from your investment dealer.

THE PARKER CORPORATION
200 Berkeley Street, Boston, Mass.

free

BOOKLET-PROSPECTUS
describes **THE COMMON STOCK FUND** *of* **GROUP SECURITIES, INC.**



A mutual fund investing for income and possible growth through common stocks selected for their investment quality.

Mail this advertisement.

CFC

Name__________

Address__________

City______ State______

DISTRIBUTORS GROUP, INC.
80 Pine Street, New York 5, N. Y.

MUTUAL FUNDS

BY ROBERT E. RICH

Growing and Healthy

The postwar growth of the funds has been so phenomenal that we often lose sight of the fact that growth does not always translate as health. The trade was reminded of this recently when U. S. Senator Harrison A. Williams of New Jersey addressed the annual meeting of the National Association of Investment Companies.

H. A. Williams, Jr.

The New Jerseyan recalled that prior to the Investment Company Act investment companies had a fantastic growth. And it is a fact that prior to unlamented 1929 the assets of investment firms—largely closed-end companies — pyramided in a mere three years from $700 million to $7 billion.

As the Senator said: "That growth was fantastic and unhealthy and—as subsequent events indicated—unreal. Many of these pre-1929 investment companies were not, of course, the management - type investment company which we know today."

The course of the investment company business from 1940 has been, as Senator Williams readily admits, "a healthy growth, a growth which has been attuned to the expansion of our economy, and a growth which has been directly related to the climate of our times." He gives much of the credit for the new day in this field to the Investment Company Act of 20 years ago.

To fundmen, Senator Williams is not just one of 100 Senators. He happens to be chairman of the Senate Subcommittee on Securities. And on this occasion he was reporting briefly about bills that came before his group during the last session of Congress. One of these was S.3772, which would have amended the Investment Company Act. It contained most of the amendments recommended by the Securities and Exchange Commission. However, it did not include two major controversial sections of interest to the NAIC, recommended by the Commission. These were provisions imposing additional controls over statements of investment policy and restrictions on appointment of directors.

In any event, no amendments to the Investment Company Act were adopted during the recent session.

However, as Senator Williams noted, two other areas of interest may come up in 1961 for discussion, if not legislative action. One area he spelled out this way: "Investment companies certainly have done all they can to bring the small investors into the capital market. But have they brought capital into small business; have they made new equity financing possible, either directly or indirectly?"

He raised the question whether fundmen should be concerned about this problem to a greater extent than they now are.

The second area of discussion he raised is so-called "shareholder education." The Senator wondered whether shareholders understand the partnership they enter or the risks they take. Here he seemed not so much to be bringing the literature and reporting into question as he was alluding to the dealer - salesman field. The Senator then proceeded to take a leaf from the book of the New York Stock Exchange's Keith Funston.

The important questions for the trade, as he sees them, are whether the shareholders are being served faithfully, kept informed and retaining the right to control or change affairs.

Some of these reminders, whether they come from the Big Store or Capitol Hill, can be irksome of fund leaders. But they may as well face the fact theirs is a $17.5 billion industry with nearly 5 million shareholder accounts and as such, is bound to attract critical attention.

As one fund manager remarked this week: "Better the carping of the critics than the inquest of the coroner."

The Funds Report

Blue Ridge Mutual Fund, Inc. reports net assets at Sept. 30 totaled $31,535,076 and net asset value per share was $10.77. This compares with $32,527,296 and $12.30 a year earlier. Major investment changes during the quarter ended Sept. 30 included the addition of ACF Industries, Allied Paper, American Export Lines, American Water Works, Consolidated Electronics Industries, Continental Can, Harshaw Chemical, Kendall, H. I. Thompson Fiber Glass, United Aircraft and Westinghouse Air Brake.

New additions include American Motors, Chance Vought Aircraft, Garrett Corp. and Motorola.

Blue Ridge reduced holdings in Anchor Hocking Glass, Deere & Co., General Dynamics, Middle South Utilities, South Carolina Electric & Gas and Southern Company. It eliminated shares of Fiberboard Paper Products, General Motors and Rayonier.

* * *

Boston Fund reports that during the nine months ended Oct. 31 net asset value a share rose 3% to $16.67.

* * *

Total net assets of **Investors Stock Fund, Inc.,** mutual fund affiliate of Investors Diversified Services, Inc., rose to a new fiscal year-end high of $638,187,751 on Oct. 31, compared with $559,538,851 at the close of the preceding fiscal year, the annual report stated.

Number of shares outstanding climbed to 41,654,796 from 33,851,431 at the previous fiscal year end. Number of shareholders also rose to a new high of 195,518 from 160,380 a year ago. More than 92% of the Fund's shareholders are regularly reinvesting their dividends and capital gains in additional shares without sales charge.

Share value at the close of the year was $15.32 exclusive of the year-end distribution of capital gains which amounted to 20 cents per share. Including this distribution, the value of the shares at the year end was equivalent to $15.52, compared with $16.53 on Oct. 31, 1959.

Dividends paid during the year from net investment income totaled 41 cents per share. This compares with 37 cents paid during the preceding year. Dollar amount paid out totaled $15,825,904, compared with $11,023,119 in 1959.

The fund on Oct. 31 had 96.58% of its securities in common stocks, 1.06% in preferred stocks, and .59% in convertible bonds and short term notes. At the close of its fiscal year, Investors Stock Fund held investments in 167 companies representing 25 industries. The larger industry investments were business equipment, chemicals, drugs, electrical equipment and electronics, insurance, oil and gas, and public utilities.

* * *

Electronics Investment Corp. puts net assets at Oct. 31 at $32,377,675 and $7.26 a share, against $29,416,986 and $7.31 a year earlier. From July 31 to Oct. 31 the fund increased holdings of Aerojet General, Ampex, Elliott Automation Ltd., General Electric, Litton Industries, Microwave Associates, Packard-Bell Electronics, Raytheon, Siemens & Halske, Varian Associates and Western Union. New acquisitions include Hartmann & Braun and Hallicrafters.

Over the same period holdings were reduced in Borg-Warner, Cohu Electronics, Eastern Industries, Emerson Electric Manufacturing, Hazeltine, Speer Carbon and Sperry Rand.

* * *

Broad Street Investing Corp., the diversified fund in the Broad Street Group, has acquired the assets of Hall Investment Co., a $1,000,000 private investment company incorporated in Michigan. This is the fifth private investment company to exchange its assets for shares of Broad Street Investing this year.

* * *

Bullock Fund, Ltd. in the quarter that ended Oct. 31 increased holdings of Anaconda, Babcock & Wilcox, Brockway Glass, Carnation Co., Cerro de Pasco, Firestone, Food Machinery & Chemical, Hudson's Bay Oil & Gas, Hunt Food & Industries, Mack Trucks, Missouri Portland Cement, National Steel, Penn-Dixie Cement, Rayonier, Republic Natural Gas, Sherritt Gordon Mines, St. Joseph Lead and United Carbon. New purchases include Armco Steel, Mississippi Valley Gas and Square D.

Bullock reduced holdings of Abbott Laboratories, Consolidation Coal, Deere, General Dynamics and National Gypsum. It eliminated shares of Bycyrus-Erie Campbell Soup, Cleveland Electric Illuminating and General Portland Cement.

* * *

Per share asset value of **Wellington Equity Fund** advanced from $12.03 on Nov. 1, 1959, to $12.17 on Oct. 31, 1960, an increase of 3.9% for the year, after adjustment for the 33 cents per share year-end capital gain distribution, Walter L. Morgan, President, stated in the annual report.

On Oct. 31, net assets totaled $43,763,674, compared to net assets of $40,542,059 on Oct. 31, 1959.

Discussing the fund's investment program during the past fiscal year, Mr. Morgan stated: "The expanding consumer market has been stimulated by the rise and broader distribution of personal income, the increase in leisure time and the desire of our people for more conveniences, and services. Your Fund's new stock investments and principal increases made in these areas in the last 12 months include consumer services (American News and Sheraton); convenience foods (H. W. Lay and United Biscuit); household products (Westminster Paper); specialty drugs (Norwich Pharmacal); educational and recreational activities (Allied Radio, Chicago Musical Instrument, Polaroid, and American Broadcasting - Paramount); market research (A. C. Nielsen); special merchandising techniques and consumer products (Avon Products, L'Aiglon Apparel, Hudson Vitamin, Papercraft and Scott & Fetzer); growth utilities (Arkansas- Louisiana Gas, Public Service of New Mexico, Alberta Gas Trunk Line); and insurance (Government Employees Life).

"The fund also increased its investment in the expanding science and technical fields that are receiving increased support from Government and business spending for research and development." Mr. Morgan added, "They include: business forms and machines (Friden, Inc., Haloid Xerox, International Business Machines and Olivetti & Co.); chemicals (American Potash, and Hagan); specialty metals (Harvey Aluminum) and electronics, communication, instrumentation and controls (Collins Radio, Loral Electronics, Sanders Associates, Texas Instruments and Transitron).

* * *

Third quarter figures of **Eurofund, Inc.** show that net assets totaled $25,127,304, equivalent to $23.93 per common share outstanding, as of Sept. 30. The investment company, which has 86% of its assets invested in European securities, gained 3.6% over the $24,257,189 ($23.10 per share) reported on June 30, and has appreciated 20.6% over the $20,844,742 reported at the end of 1959.

As of Sept. 30, values of 40 companies out of a total of 88 represented in Eurofund's portfolio had appreciated 25% or more over acquisition costs. Twenty-six companies showed gains in excess of 50%, and six had rises in value ranging between 102% and 203%. Durign the first nine months of 1960 Eurofund's net income and net realized short-term gains amounted to $239,847, and proceeds from the company's sales of foreign securities amounted to $4,071,000 showing net gains of $901,000.

* * *

Nation-Wide Securities Co., Inc., the balanced fund in the Calvin Bullock group, has declared a quarterly dividend of 16 cents per share from net investment income, payable, Dec. 21, to shareholders of record Dec. 5. The dividend, which is the fund's 113th consecutive quarterly dividend, is the same amount as in the previous quarter.

* * *

Net earnings for **Channing Corp.** for the first nine months of this year were $1,112,253, compared to $1,159,782 for the same period in 1959. The 1960 figure, based on unaudited figures, included Channing's equity of $294,609 in second and third quarter earnings of the Federal - Wolverine Insurance Companies, a majority-controlled interest.

Channing's earnings for the 1960 period were equal to 95 cents per share (including 25 cents per share from the insurance companies) on

Affiliated Fund

A Common Stock Investment Fund

Investment objectives of this Fund are possible long-term capital and income growth for its shareholders.

Prospectus upon request

LORD, ABBETT & CO.

New York — Atlanta — Chicago — Los Angeles — San Francisco

Digitized for FRASER
http://fraser.stlouisfed.org/

1,168,246 common shares outstanding, as against $1.04 per share on 1,113,496 shares outstanding in 1959.

Channing is an operating and holding company, with financial, insurance and industrial divisions. Channing and its financial division subsidiaries sponsor, wholesale and serve as investment advisors to 13 mutual funds in the United States and Canada. Aggregate net assets of these funds at Oct. 31, were $280,636,100. Another subsidiary, King Merritt & Co., Inc., retails mutual fund shares through an international sales force of 2,500 men. The industrial division is comprised of the Nice Ball Bearing Co. in Philadelphia.

Small Fund With Big Brains

As every fund buff knows, mere bigness is no assurance of superior performance. The investment community is one big place where a good little fellow can, and often does, beat a good big one. This old cliche is evoked by a reading of the fifth annual report of the relatively small Energy Fund, Inc., which first offered its shares to the public in October of 1955.

Distribution of shares is made without a sales organization, sales commission or loading charge. Energy Fund is managed by the New York Stock Exchange house of Ralph E. Samuel & Co., which receives a quarterly fee of 1/8 of 1% of the average net asset value of the fund. The house retains advisers, handles managerial and administrative chores and pays for advertising and promotion.

Total net assets of Energy Fund at the outset amounted to $950,000 and the value of each of the 79,200 shares outstanding (adjusted for a 10-for-1 split last year) was $12. Value per share rose to $14.33 by the close of the 1956 fiscal year, slipped to $14.10 the next year and thereafter climbed to $15.76 in 1958, to $18.51 at the end of 1959 and reached $19.65 on Sept. 30, 1960, closeout of the latest year.

From less than a million in assets at inception, the nest egg has grown to $12,225,000 and the original 70 shareholders have been replaced by 6,650 shareholders. Dividends from investment income have ranged each year from 19 cents to 24 cents and payouts from net profits on sales of holdings have run from 36 cents in 1958 to $1.03 in 1959.

Well, what has the imaginatively named Energy Fund looked for to make the shareholder's stake grow? Basically, it has sought out the energy industries—the familiar electric, oil, natural gas and hydro power. The newer sources, such as nuclear energy, have come in for a good deal of attention and there is much study of the possibilities in the solar and hydrogen fields.

Only $40,500 of Energy Fund's $12,225,000 of assets were corporate bonds at latest report. And even those liens were convertible to stock.

The biggest stake of all, toting up to nearly 36% of the whole, was the $4,330,486 worth of equities in the fields of control, transmission and measurement of energy. Here are such names as AMP, Varian and Loral Electronics (all newly acquired) and such non-income producing issues as Collins Radio, Farrington, Ampex, Litton and Texas Instruments.

The second largest category emphasizes energy, too, although it smacks more of value than vogue. Accounting for nearly 29% of the portfolio, it contains such standbys as Cleveland Electric Illuminating, Houston Lighting & Power, Philadelphia Electric, Florida Power & Light and that daddy of all electronic stocks, American Telephone & Telegraph.

Biggest single investment of all is Europe's N. V. Philips' Gloeilampenfabrieken, which had a market worth of a million and a quarter at the end of the fiscal year. Energy Fund puts that stock in the category of generating apparatus. Interestingly enough, the only other issue in that group is Allis-Chalmers and Energy Fund recently sold off 3,000 shares of that Midwest manufacturing company, retaining 6,000.

Energy Fund also recently eliminated from its portfolio Cutler-Hammer, Itek Corp. and Peoples Gas Light & Coke.

Donald C. Samuel, President of Energy Fund, admits that the company's new fiscal year started "on a discouraging note as far as the stock market was concerned." Humanly enough, he adds: "Obviously, when the stock market goes down, our per share value declines; we cannot be 'in' stocks when they go up, and 'out' of them when the suffer interim declines. All we can hope for—and to this objective we are dedicated—is to better substantially the general market's showing. . . ."

Wellington Names Brower Exec. V.-P.

PHILADELPHIA, Pa. — A. Bruce Brower has been appointed Executive Vice-President of Wellington Company and will be in charge of national distribution of Wellington Fund and Wellington Equity Fund, it was announced by Joseph E. Welch, President.

A. Bruce Brower

Mr. Brower has been active in the distribution of Wellington Fund since 1935. In 1951 he was placed in charge of Wellington's Pittsburgh office, and in 1957 was named Vice-President in charge of distribution for the midwest territory.

Mr. Brower will now live in Philadelphia and make his headquarters at the Wellington national offices in that city, 1630 Locust Street.

Basis Club Names New Officers

DETROIT, Mich.—The Basis Club, an association of young men active in the municipal bond business in Detroit, held its third annual meeting on Oct. 21 at the University Club.

The following officers were elected for 1961:

President—John R. Taylor, First of Michigan Corp.

Treasurer—H. Montgomery Snyder, John Nuveen & Co.

Secretary—Donald G. Hicks, Blyth & Co., Inc.

Director—Robert P. Seeber Manley, Bennett & Co.

Social Director—Jerome W Kelly, Kenower, MacArthur & Co

Publicity Chairman—Terry N. Nulf, Braun, Bosworth & Co.

The club has announced it will hold its fourth annual Christmas cocktail party, Friday evening, Dec. 17, at 7 o'clock. Members and their wives are invited. The party will be held at the home of J. Thomas Martin, Martin & Co., Bloomfield Hills.

M. Lagunoff Opens

Marvin Lagunoff is engaging in a securities business from offices at 425 West 57th Street, New York City.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The action of the short-term section of the Government market indicates that funds are still being put to work in these obligations, but the demand does not seem to be as large as it has been at times this year. On the other hand, the purchase of intermediate-term securities appears to have picked up a bit, largely reflecting the belief in some quarters of the financial district that quotations of these obligations will improve under the anticipated monetary policies. In addition, it seems as though the slightly better institutional interest in the most distant Government bonds can be attributed to this same opinion.

There appears to be more than passing fancy in the course which some buyers have adopted in the purchase of Government bonds because, with price - weakness, they have come into the market and have been able to make what is being termed as fairly sizable commitments at satisfactory prices. An expected change in monetary policy is evidently behind these commitments.

Long Bonds Bought on Strength Of Expected Lower Rates

The "advance refunding" bonds, namely, the 3½s of 1980, the 3½s of 1990 and the 3½s of 1998, according to advices, are being acquired by institutions in modest amounts. It is reported that certain institutions are not only adding to their positions in the aforementioned bonds, but also there are others who are making their initial commitments in these obligations. The indications are that these bonds give some institutions not only the income which they are looking for but also a long-term maturity (issues) that will be added to with the passage of time.

In addition, it appears as though the opinion is growing that distant maturities of Government obligations will improve pricewise with ease in the long-term interest rate which is expected in the not too distant future. Also, the fact that these bonds are selling at a discount, which means that capital appreciation can be obtained in time, does not detract from the appeal which the "forward refunding" 3½s have for specific buyers of these securities.

Portfolio Changes Minor

Even though tax switches are still being worked out by some institutions, there is evidence to the effect that these portfolio exchanges which are being made now are considerably smaller in volume than was the case the last few years. Most of the large money center banks, according to advices, had these exchanges about completed some time ago. The smaller out-of-town banks have also been in the process of making these switches for some months but, nonetheless, there are quite a few last minute ones which are and will have to be completed before the end of 1960.

It is evident that the swaps which are being made by the country banks have resulted in the reinvestments being made largely in obligations which could be included in either a "major" or "minor" forward refunding.

Common Stock Money Going Into Treasuries

The interest in short-term and intermediate - term Government obligations is on the increase as far as certain common stock buyers are concerned. Advices indicate that exchanges are still being made from equities into the short-est Treasury issues as well as the securities that would be among those likely to get an offer when the Treasury undertakes another "forward refunding" operation. In contrast to this trend, there are cases in which short-term Government securities are being sold and the proceeds reinvested not only in selected common stocks but also in long-term Treasury bonds.

From the available data it seems, however, as though the movement into near - term and middle-term Governments is still more substantial than is the movement from these issues into common stocks.

Higher Discount Rate Unlikely; Prime Rate Cut Probable

The talk about an upward revision in the discount rate appears to be only just that. It is believed that the fact that the British used a higher Bank rate to defend the pound Sterling when it was on the defensive is the prime reason for the rumors that the Central Bank rate here will be increased in order to help the international position of the dollar. The easy money policy which is in operation now, and is quite likely to continue for the foreseeable future, would not appear to be consistent with a higher discount rate.

With the demand for credit not likely to increase in the future because of the defensive tone of the economy, it would not surprise some money market specialists if the prime bank rate were lowered after the turn of the New Year.

Inv. Diversified Names Bradford

MINNEAPOLIS, Minn. — Harold K. Bradford has been elected President and director of the five mutual funds affiliated with Investors Diversified Services, Incorporated, Investors Building. They are Investors Mutual, Investors Stock Fund, Investors Selective Fund, Investors Variable Payment Fund and Investors Group Canadian Fund.

Harold K. Bradford

Chicago Analysts to Hear

CHICAGO, Ill. — Leonard H. Goldenson, President of American Broadcasting - Paramount Theaters, Inc. will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Dec. 1 at the Midland Hotel.

With Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Samuel Ostach has joined the staff of Walston & Co., Inc., 210 East Wisconsin Ave. He was formerly with J. P. Lewis & Co.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular.

NEW ISSUE November 28, 1960

100,000 Shares

Sulray Inc.

(A New York corporation)

COMMON STOCK

(Par Value $.10 per Share)

OFFERING PRICE: $3.00 PER SHARE

Copies of the Offering Circular may be obtained from the undersigned and from such other dealers as may lawfully offer these securities in this State.

J. A. Winston & Co., Inc. **Netherlands Securities Company, Inc.**

Digitized for FRASER
http://fraser.stlouisfed.org/

NEWS ABOUT BANKS AND BANKERS

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

Donald C. Norton, Vice-President of **The Chase Manhattan Bank, New York, N. Y.** has been named head of the personal trusts and estates, estate planning and tax divisions of the trust department. He succeeds Ernest R. Keiter, who will retire from the bank at the end of February.

Mr. Norton, who joined the Chase National Bank in 1928, was appointed an Assistant Personal Trust Officer in 1944 and was promoted to Assistant Vice-President in 1953. He was named a Vice-President in 1958. He has been associated with the trust department throughout his banking career.

* * *

Relationships with investment bankers will be the responsibility of a new Investment Bankers and Brokers Division, it has been announced by John J. McCloy, Chairman of the Board of Directors of **The Chase Manhattan Bank, New York.** John E. Beebe, Vice-President, will head the new division, reporting to John B. Bridgwood, Executive Vice-President.

* * *

The election of Walker L. Cisler to the Advisory Board on International Business of **Chemical Bank New York Trust Company, N. Y.,** was announced Nov. 23 by Chairman Harold H. Helm.

* * *

Trustees of **The Hanover Bank, New York, N. Y.** have declared a stock dividend of one share for each nine held, payable Feb. 28, 1961 to stockholders of record at the close of business Jan. 31, 1961.

This will increase the number of shares outstanding from 4,500,000 to 5,000,000 and the capital of the bank from $45,000,000 to $50,000,000. Stockholders will be asked to authorize the necessary amendment of the bank's charter at the annual meeting Jan. 18. The dividend also is subject to approval of the State Superintendent of Banks.

* * *

The appointment of Samuel H. Woolley, Vice-President, as Chief Investment Officer of **The Bank of New York, New York,** was announced recently by Albert C. Simmonds, Jr., Chairman. Mr. Woolley will have full responsibility for the over-all supervision of the Investment Counsel Department, Security Research Department, and Trading Department.

At the same time Raymond W. Hammell, Vice-President, was named head of the Security Research Department and Volkert S. Whitbeck, Vice-President, named Director of Economic Research for the bank. Mr. Whitbeck will head a new section of the Investment Division which will devote its entire time to economic research.

* * *

Charles Sherwood Munson, Jr., has been elected a Director of the **Grace National Bank of New York.**

* * *

Mr. Crawford Young, President of the **Flatbush Savings Bank, Brooklyn, N. Y.,** announces that Mr. Marshall H. Covert has just completed 25 years as a Trustee of this bank.

* * *

Louis E. Weed, President, has announced the election of Leland D. Trantum and Garvin A. Drew as Trustees of the **East Brooklyn Savings Bank, New York.**

* * *

Norman B. Tengstrom and Roy W. Kessler, formerly Assistant Vice-Presidents, were promoted to Vice-President of the **Meadow Brook National Bank, New York.**

Mr. Tengstrom, who joined the bank in 1955, will be in charge of the new Queens division of the bank's branch administration department. Mr. Kessler, who joined the bank in 1947, will remain in the Cashier's department in the West Hempstead office.

* * *

Harold L. Saf of Wantagh has been elected a Vice-President of **Long Island Trust Company, Garden City, N. Y.,** according to an announcement by Frederick Hainfeld, Jr., President. Mr. Saf will be located at the bank's main office in Garden City for a period of time, following which he will be assigned to a post in branch administration.

George G. Dean, Vice-President has been transferred to the bank's Main Office where he will take charge of the bank's new business development program, Frederick Hainfeld, Jr., President, announced.

In addition to his new responsibilities, Mr. Dean will supervise the activities of the Instalment Loan Department and the Marine Finance Division, headed by Assistant Secretary Kenneth Kolator at the South Freeport Office.

Edmund F. Needham of Farmingdale, Assistant Vice-President, replaces Mr. Dean as Manager of the Instalment Loan Department.

* * *

Carl C. Miller, regional Vice-President in charge of **The County Trust Company's** Larchmont and Mamaroneck offices, compelted 40 years of service with the bank, on Nov. 27.

* * *

The election of John A. Howgate as an Assistant Cashier of **National Bank of Westchester, White Plains, N. Y.,** is announced by Ralph T. Tyner, Jr., Chairman, and Harold J. Marshall, President.

* * *

The State of New York National Bank, Kingston, New York, and the **Huguenot National Bank of New Paltz, New Paltz, New York** will consolidate under the title of **the State of New York National Bank.** The effective date is expected to be Dec. 31.

* * *

Mr. Robert G. Cowan, President of the **National Newark & Essex Banking Company, Newark, N. J.,** has announced the election of Robert O. Driver to the Directorate of the bank.

* * *

A charter has been issued to the **National Bank and Trust Company of Traverse City, Traverse City, Mich.** Its President will be W. Reed Chapin and the Cashier, David E. Pearce, and will have a total of $696,428.50 in surplus and capital. It is a conversion of the **First-Peoples State Bank, Traverse City, Mich.,** and is effective as of Nov. 14.

* * *

The American National Bank of Arlington, Iowa, with capital stock of $25,000, was converted into a state bank under the title **Arlington State Bank, Arlington, Iowa,** effective Nov. 8.

* * *

By a stock dividend, the **Merchants National Bank of Topeka, Topeka, Kan.,** has increased its common capital stock from $2,000,000 to $2,250,000, effective Nov. 16. (Number of shares outstanding—90,000 shares, par value $25).

* * *

The First National Bank of Pleasanton, Kan., with capital stock of $50,000 has converted into a state bank under the title of **The First State Bank of Pleasanton, Pleasanton, Kan.,** effective as of Nov. 14.

* * *

On Nov. 11, the merger of the **Lincoln Bank and Trust Company, Louisville, Ky.,** with common stock of $2,000,000 into **The First National Bank of Louisville, Louisville, Ky.,** with common stock of $5,000,000, took effect. They merged under the title of the **First National Lincoln Bank of Louisville,** with capital stock of $7,000,000, divided into 70,000 shares of common stock of the par value of $100 each.

* * *

The First National Bank in Loveland, Colo. has increased its common capital stock from $250,000 to $350,000, by a stock dividend, effective Nov. 16. (Number of shares outstanding—35,000 shares, par value $10).

* * *

The common capital stock of the **City National Bank of Beverly Hills, Beverly Hills, Calif.,** has been increased from $3,822,000 to $5,733,000, by a stock dividend, effective Nov. 14. (Number of shares outstanding — 1,146,600 shares, par value $5).

* * *

The First National Bank of Saratoga and Cupertino, Cupertino, Calif. has changed its title to the **Valley First National Bank, Cupertino,** effective Nov. 15.

* * *

A charter has been received by the **Tri-Cities National Bank, Pasco, Pasco, Wash.** Its President is D. P. Seaberg, and the Cashier is Robert G. Allen, the bank has a total of $350,000 in surplus and capital. The date of effect was Nov. 16.

Wood-Mosaic Common Sold

Cruttenden, Podesta & Co. and Berwyn T. Moore & Co., Inc. headed an underwriting group that offered on Nov. 29 80,000 shares of Wood-Mosaic Corp. class A common stock, $1 par value, at a price of $10 per share.

Approximately $500,000 of the proceeds from the sale will be advanced to the corporation's principal subsidiary, Wood-Mosaic Industries, Inc., for use as working capital to finance sales to its foreign subsidiaries. The balance will be used to increase working capital of the corporation and may be used to temporarily reduce short-term bank loans.

The corporation, which was founded in New York in 1883 to specialize in the manufacture of parquetry hardwood flooring, was reincorporated in Kentucky in 1922. Its principal offices and manufacturing facilities are now located at Louisville, Ky. Operations of the company have been expanded over the years to include a broad range of hardwood products, including manufacture of hardwood lumber, veneers, veneer faces and laminated block, strip and parquetry flooring, as well as purchase and sale of large quantities of both domestic and imported hardwood logs, lumber, plywood, veneers and veneer faces.

Giving effect to the current offering, capitalization of the company will be: $1,001,417 of long term debt; $1,076,178 of short term debt; 8,893 shares 4% cumulative preferred stock, $100 par value; 111,611 shares class A common stock, $1 par value; and 284,496 shares class B common stock, $1 par value.

W. G. Merrill Opens

(Special to The Financial Chronicle)

SANTA CRUZ, Calif.—Walter G. Merrill is engaging in a securities business from offices at 1008 Pacific Avenue.

Economic Outlook Implies Higher Interest Rate Trend

Continued from page 1

present threat. The steel strike settlement, on more careful analysis, seemed less dangerous to stability than was first thought. Hope for self-discipline and some economic statesmanship on the part of labor leaders seemed to swell, whether justified or not. And particularly, encouragement regarding the outlook for the value of the dollar was taken from President Eisenhower's Budget Message, in January 1960, which showed the fruits of his strong stand for fiscal sanity in the 1959 session of Congress. In that Message the President estimated a small budget surplus for the fiscal year ending in mid-1960 and projected a surplus of about $4 billion for our present fiscal year.

The turn in the credit markets early this year, then, came about largely as a result of a shift in the attitudes of nonbank investors and in the amount of funds they were willing to lend. It did not come about, as in 1957, because of a slackening in business, or an about-face in Federal Reserve policy. These changes did not develop to amount to anything until the second quarter of the year. By that time well over half of the drop that we have had so far in market yields had already occurred. Those who waited for such time-tested signals to buy bonds missed a good part of the market swing this year.

International Credit Market

But the advance-guard movement in interest rates is not the only unusual feature in our credit and capital markets this year. There has been another major development that we must explore before we attempt to lay down guide-lines for money and credit over the months ahead. For about the last 30 years monetary policy in this country has been conducted without much, if any, reference to the effects of that policy on our international position. We have been fully free to do this because for a number of reasons, differing some of them over the years, we have not had an operating international money and capital market. Since the last war, however, one nation after another in the free world has, so to speak, pulled up its socks and put its economy and financial affairs in some kind of order. These nations have realigned the exchange values of their currencies, put their budgets in shape, gotten costs of production and prices competitive in world markets, built up their currency reserves, and relaxed gradually their former controls over the flow of funds to and from other nations.

In addition to the dollar and the Swiss franc, therefore, other currencies have become prized in the world. To a considerable extent, of course, this has been achieved with massive help from our expenditures abroad for military and economic aid. Unfortunately, we have also inadvertently helped the relative positions of other currencies by some ill-advised developments in our economy. We have, for example, acceded to excessive demands of organized labor for wage increases and we have continued an economically absurd support program for agricultural prices, thereby weakening our competitive position in world markets in a number of our key export industries and commodities. But for whatever reason, funds are now able to flow freely to seek their most profitable employment in the credit markets of the major nations of the free world.

Credit-easing measures by the Federal Reserve to combat the slackening in business activity since last spring have had to be taken with an increasing eye to their implications for our new international financial position. Our basic balance of payments has been such as to supply dollar balances to the rest of the world for most of the past decade and the year 1960 has been no exception. We have had a surplus of merchandise exports over imports, but our large outlays abroad for military purposes and for foreign aid have more than offset it. Foreign dollar holdings have steadily increased.

In 1959 foreigners, including most foreign central banks, were generally content to leave their funds in this country because our interest rates were such as to give them a satisfactory return as compared with that obtainable in other money markets. But in 1960 our money market rates have declined. Activity abroad, however, has been holding at peak levels and interest rates there have remained relatively high. Thus investment in our money market has become progressively less attractive and a substantial amount of funds has moved to credit markets abroad. Some central banks, which received dollars as such funds were shifted, have elected to keep them largely invested in our money market. Others, however, because of long-standing policy or for other reasons, have chosen to take gold in full or in part. Since mid-year our gold stock has declined by over 1¼ billion dollars.

A Cautious Credit Ease

This gold outflow has retarded the Federal Reserve in its pursuit of credit ease this summer and fall. Recently it seems almost as if the Federal Reserve has been trying to produce easy money without affecting short-term interest rates. For example, the Federal Reserve has used vault cash and reductions in member bank reserve requirements as a major supplement to open market operations to supply reserve funds to banks. This has cut down on the need for open-market purchases of Treasury securities, although huge Reserve Bank purchases have nonetheless been required to offset other factors affecting bank reserves.

Partly as a result of this approach to supplying reserves, excess reserves have been widely scattered among thousands of smaller banks and they have not moved readily into the money market. Although the Federal Reserve has maintained a reserve picture of substantial statistical ease, Federal funds have generally been trading at or near the discount rate. The average city bank has not been flush with money for many days at a time. Bank lending and investing, therefore, has not had the forced-draft treatment that it was given in, say, 1958. This is reflected in the behavior of the money supply, which has been about maintained at the level of last spring. The contraction of last fall and winter has been arrested, but unlike other periods of credit ease there has been little monetary expansion.

A Cautious Approach in Bank Investments

Bank investing activities have been different in another way too, as compared with previous periods of credit ease. In such periods in the past, banks have been aggressive buyers of Government securities in the three-to-ten-year maturity range, presumably as a defensive move to maintain income over a time when easy money was expected to pre-

Digitized for FRASER
http://fraser.stlouisfed.org/

vail. This was true in 1954, for example, and again in 1958. In those periods of economic slack short-term yields quickly became unattractive and by extending maturities a few years, the investor could obtain a substantial pick-up in yield. In 1954, for example, the yield spread was about 1⅜% from one year out to seven or eight years. In 1958 the spread was also about 1⅜%. Today the spread is about ⅝%.

Banks later regretted these maturity extensions, of course. They were greatly pressed for funds in the following periods of business expansion when intermediate-term securities could be disposed of only at very substantial losses. It was painfully discovered by many of our banks that a pick-up of 1⅜% for a year or so was not an adequate compensation for the loss of eight or ten points on a later sale.

In 1960 banks have not increased at all their holdings of Treasury securities maturing in over three years. They rather have set themselves to the task of rebuilding their portfolios of short-term Treasury issues, a job at which they have been only moderately successful, even so. In the present market, bank interest in intermediate-term Treasury securities is negligible. What bank money there is for this maturity area seems to be directed to the tax-exempt market.

Current Credit Market Situation And Background

At present, the money and capital markets stand about as follows: There has been some let-up in the heavy demand for bank loans of early in the year due largely to an easing in business loans for carrying inventory. Treasury borrowing needs are much lower than last year. Consumer credit is increasing less rapidly than it was, reflecting a heavy contractual repayment of old loans. Demand for mortgage credit is less insistent. In the long-term capital market, however, corporate borrowing has been very large and municipal and state borrowing has been at a record pace.

By the standards of the past 30 years, interest rates still remain at fairly high levels, despite the sharp decline from the peak rates prevailing early in the year. Short-term yields of around 2½ to 3% and a discount rate of 3% are not what we are used to thinking about when we talk about credit ease. Intermediate-term Treasury yields of 3¾ and 3⅞% likewise seem high, and the yields presently available to investors in long-term corporate and municipal bonds are exceptionally attractive by comparison with those prevailing in earlier periods of softening business activity and monetary and credit ease.

Probably for these reasons there seems to be a rather widespread expectation that interest rates will decline significantly during the next half-year or so. Is this expectation likely to prove correct?

To begin an evaluation of the interest-rate outlook requires first a point of view about the business outlook. I suppose most students of the business situation—business men and economists alike—now feel that economic activity will slide off somewhat further. They also seem to think, however, that the decline will not develop into a serious, prolonged period of stagnation. The beginnings of a recovery are typically seen sometime in 1961. It is certainly possible to argue for a less happy economic prognosis than this but, considering the extent of the rolling readjustment already made, this popular view seems a reasonable starting point for my purposes.

Fed Will Exercise Caution

Under such a business assumption, the Federal Reserve would be justified in pressing further for credit ease and some monetary expansion. Events abroad, however, may greatly limit the extent to which such a program can be pushed. Recent reductions in central bank rates in France, England, and West Germany may make it feasible to allow some further ease in our short-term markets, particularly early next year when seasonal forces usually operate in that direction. Unless business activity drops off sharply abroad, however, there may not be room for a material further easing in our money market in the next few months. Our Government is now in transition, and the new Administration is at least partly committed to some actions that would hardly strengthen international confidence in our financial position. It would be reasonable to expect the Federal Reserve to pursue a cautious program, probably holding closely to about its present policy stance. The Federal Reserve will certainly not lightly risk taking any action that might accelerate the already large outflow of short-term capital.

Now on one point I am firmly convinced — further ease in the intermediate- and long-term credit markets cannot be created by Federal Reserve policy if that agency is not prepared to allow short-term interest rates to decline. Long-term and intermediate-term rates are where they are, and not lower, in large measure because many investors, especially bankers, who have flexibility between short-term and longer-term securities have decided that under present and prospective conditions it is preferable to stay in the short-term market. There is little that can be done by the monetary authorities to change this point of view as long as short-term interest rates are satisfactorily attractive and as long as investors do not come to the conviction that we are headed into a period of prolonged business slump in which the demand for all kinds of credit will be very much reduced. Bankers, and other investors prefer at present to keep these marginal funds in short-term rather than in longer-term securities either because they feel as fully committed in the longer-term market as they wish to be or because they expect that in the period ahead there will be a demand for credit that they wish to be prepared to meet.

Hazards in Fed's Purchases Of Long Maturities

It is true that the Federal Reserve, should it choose to do so, could add significantly to the demand for longer-term issues by buying directly in those maturity sectors. Such action has, of course, been proposed from several quarters. There are, however, several facets to be considered before plunging into such a program. First, the Treasury has long labored to sell to the public securities of intermediate- and long-term maturity. Progress has been painfully slow. As recently as last month an offering of six years in maturity received only a $1 billion acceptance. In September a huge effort was made to refund in advance about $3½ billion of bonds into the truly long-term sector. It would be all to easy for the Federal Reserve to buy back these or comparable securities, thereby undoing all the previous efforts of the Treasury to put such securities in the hands of the public.

More important, however, would be the effect of such a program on the functioning of our capital markets. If the Federal Reserve were to drive intermediate- and long-term yields lower by buying such securities and not by easing credit generally, many investors who may now be in doubt as to whether they should continue to hold or to buy more intermediate- or long-term securities would find it tempting to sell such issues and invest their money in the short-term area. The fact that longer-term yields had been reduced by official buying and not by private investment decisions would certainly make that sector of the market vulnerable in the minds of many investors. This would make it easier for such investors to decide to sell and not to buy just as soon as they had concluded that the Federal Reserve authorities had driven yields about as low as they wished them to go.

How the corporate and municipal markets or the mortgage market would perform under such circumstances is a question. If investors selling long-term Treasury issues were to buy corporate and other bonds or mortgages, the supply of funds going into those areas would, of course, be enlarged for the time. But at some point investors generally would distrust the entire long-term credit market—a situation that could put that market through the wringer or put the Federal Reserve on pegs again. The reactions to such a development, both here and abroad, can readily be imagined. I do not, therefore, expect that there will be an attempt by the Federal Reserve to intervene directly in the intermediate- or long-term sectors of the credit market.

Interest Rate Prospects

Looking ahead for the next few months, it would not seem logical to anticipate a further dramatic drop in yields, assuming we are not headed for a business collapse. In the market for long-term credit, demands by businesses and by states and municipalities seem destined to remain large enough for several months ahead to preclude any shortage of investment outlets. Mortgage borrowing by home buyers, to be sure, seems to be slackening somewhat.

On the other hand, however, the Treasury's position will not be as favorable as was believed a few months ago. It is doubtful that there will be any cash surplus for the current fiscal year and there could be a deficit. The next fiscal year will in all probability show a deficit. The bigger the new spending programs, of course, the more the deficit—but a $5 billion deficit seems almost inevitable with no new spending schemes, unless taxes are increased. The prospect of this budget change, as it permeates our financial markets, will certainly be something of a brake on future improvement in our capital markets.

Treasury debt management, of course, must be listed as an unknown quantity in the capital market outlook. Should the new Treasury officials show an intent to starve the intermediate- and long-term market, that will help to lower yields in those areas, at least for the short run. But an unsound debt management program or a sizable budget deficit will not strengthen confidence in the future of the dollar, and such confidence is a prerequisite to sustained availability of funds at favorable interest rates. We saw in the market last year what an inflationary psychology can do to long-term yields, and early this year we also saw what can happen when that inflationary outlook diminishes and recedes.

Dramatic shifts in the supply of long-term funds from the usual sources of such money do not seem likely in the near term, assuming nothing happens to shake the confidence of such investors. On the other hand, unless something happens that creates an important downward pressure on short-term yields, it is not realistic to expect much enlargement in the modest flow of commercial bank funds into intermediate- and long-term securities. It is possible that a slackening in the demand for bank loans by businesses will operate modestly in that direction, but the extent of any decline in short-term yields must necessarily be tempered by international reactions and related considerations.

Higher Interest Rates in Prospect

On balance, therefore, if we accept the typical, reasonably hopeful business prognosis, I can find little basis for unqualified bullishness regarding the bond market. Interest rates, to be sure, may work somewhat lower. But prospects for Treasury deficit financing on a large scale by mid-1961 loom sufficiently large to offset most, if not all, of the effects on interest rates of any likely curtailment of private borrowing next year. If business activity does indeed begin to improve by mid-1961, as it is supposed to according to most economic seers, interest rates will probably be higher a year from now than they are today.

*An address by Mr. Youngdahl before the First National Bank of Chicago Conference of Bank Correspondents, Chicago, Ill., Nov. 28, 1960.

E. E. Stevens Opens

(Special to THE FINANCIAL CHRONICLE)

FORT MYERS, Fla. — Ernest E. Stevens is engaging in a securities business from offices at 1601 Llewellyn Drive.

Davega Stores Rights Offer

Davega Stores Corp. offered to holders of its common stock rights to subscribe for $1,500,000 of 6½% convertible subordinated debentures, due Aug. 1, 1975 at a subscription price of 100%, plus accrued interest, on the basis of $100 principal amount of debentures for each 25 shares of common stock held of record as of Nov. 23, 1960. The offering also carries an additional subscription privilege in the event all of the rights are not exercised. Rights to subscribe will expire at 3:30 P. M., New York City time, on Dec. 14, 1960.

Amos Treat & Co., Inc. is manager of a group that is underwriting the offering.

Net proceeds from the financing will initially be added to the general corporate funds of the company and subsequently applied to furnishing two new retail discount centers, one in Brooklyn, N. Y., the other in New Brunswick, N. J. The balance of the proceeds will be used for general corporate purposes.

The debentures will be convertible at their principal amounts into common stock of Davega from ninety days after the effective date of the offering at an initial conversion price of $8 per share. The debentures will also be redeemable at optional redemption prices ranging from 105% to 101%, plus accrued interest.

Davega presently operates a chain of twenty-six stores in the Metropolitan New York area, for the retail sale of radios, phonographs, television sets, accessories, refrigerators and washers, and various other electric appliances, sporting goods, sports apparel, cameras, photographic equipment and supplies, and other similar items. Operations of the company and its predecessors date back more than 75 years. For the four months period ended June 30, 1960 retail sales of the company increased to $6,779,118, compared to $5,322,922 for the like period ending June 30, 1959.

Upon completion of the current financing, outstanding capitalization of the company will consist of $1,637,351 of long-term debt; 369,600 shares of common stock; 47,800 shares of 5% preferred stock, and 12,500 common stock purchase warrants.

R. M. Charlson Opens

AURORA, Colo.—Robert M. Charlson is engaging in a securities business from offices at 1260 Havana Street.

SPG

SPG—Symbol of Suburban Propane Gas Corporation Common Stock—made its appearance on the New York Stock Exchange November 28. Suburban Propane is a pioneer in the LP-Gas industry . . . largest independent distributor of propane . . . manufactures and sells gas appliances and LP-Gas equipment . . . has paid 59 consecutive quarterly dividends dating back to first year of corporate existence.

Nine Months Earnings

Net Income	1960	1959
NINE MONTHS ENDED Sept. 30	$1,676,439	$1,305,560
Earnings per Share Common*__	$1.11	.85
TWELVE MOS. ENDED Sept. 30	$2,499,471	$2,075,110
Earnings per Share Common*__	$1.63	1.38

*After deduction of dividends on preferred shares and based on average number of common shares outstanding.

"The pipeline on wheels"

SUBURBAN PROPANE GAS CORPORATION

General Offices Whippany, N. J.

New York Office 20 Exchange Place

Digitized for FRASER
http://fraser.stlouisfed.org/

When the Securities Laws Apply to Realty Syndicates

Continued from page 3

tain specified information and various exhibits and other documents, including a prospectus which must be furnished to each purchaser of the securities. The securities may be offered after the statement is filed but sales may not be consummated until it has become effective.

Registration Necessary for Real Estate Partnerships

Our records show graphically the increased interest in issues of this nature. In the seven years from 1952 to and including 1958, 20 registration statements covering real estate syndicate operations were filed, aggregating $83 million. In 1959, 19 such statements were filed, aggregating $32 million, and in 1960 to Sept. 30, we had 22 such filings totaling $38 million. Some have been active in these issues and to them much of what I am saying will, no doubt, be quite old hat. Unfortunately, this familiarity apparently does not pervade the entire bar. Professor Berger of Yale did some research in the matter and pointed out in an article in the Yale *Law Journal* last April that the New York County Clerk's office had records of a substantial number of real estate partnerships which were not registered with us, though they obviously should have been.

The Commission has not prescribed a special form for use by real estate syndicates in registration, and Professor Berger has suggested that this omission is not only a slight to the syndicators but imposes an undue burden upon the syndicate promoters and their attorneys. The form presently used is our Form S-1 which is prescribed for most commercial and industrial offerings, and I readily admit that its various instructions may at times seem irrelevant and mysterious when the registrant is not engaged in manufacturing or selling, but proposes to own or own and manage a hotel or an office building. Nevertheless, an adaptation of Form S-I has been developed which we believe comports with the realities of syndication, provides full disclosure to the public and offers no really serious problem to the syndicate's lawyers. This specialized format has now become familiar to everyone in the industry and its details are readily available to the uninitiated. I have no doubt that it would be possible to translate the format into a form, and we are, in fact, giving this some thought. I am personally unable to see how this would serve any very useful purpose except, perhaps, to give a measure of satisfaction to those who believe that the industry requires a formal benediction of its idiosyncrasies. We now have some 17 forms prescribed under the Securities Act of 1933, and unless some especially cogent circumstance is asserted, I would like to avoid encumbering the books with yet another series of elaborate and intricate instructions. Among other reasons which impel me to this conclusion is the fact that the syndicate agreements are tailored to fit individual situations with a noteworthy ingenuity which is difficult adequately to describe within the limits of a rigorous form. There are further complications of unknown extent relating to the real estate trusts, which I will deal with later on in this discussion.

Form S-1 involves the preparation of certain financial statements which, in a real estate syndicate deal, presents some very substantial problems. Generally speaking, these deals are on either a fee basis or a sale and leaseback basis, and our accounting requirements differ somewhat accordingly. Since the syndicates are almost invariably new organizations which are taking over properties with substantial operating histories, we require income statements of past operations, together with projections which will show how the syndicate operation will affect such earnings. You will note, however, that this does not represent a change in the dim view we notoriously take of estimates of future earnings. For instance, we do not generally permit a modification of historical results based on operating economies which the property managers expect to introduce. Nor has our position weakened with regard to the use of appraisals in balance sheets or text either, for that matter. We have found occasions where the use of figures other than cost has been justified, but they have been very rare, indeed.

What Is Exempt From Registration

The Securities Act exempts from registration certain securities and certain transactions in securities. One relevant statutory exemption encompasses transactions not involving any public offering—the so-called private offering exemption provided by the second clause of Section 4(1) of the Act. The determination of what constitutes a public offering is a question of fact and necessitates a consideration of a multitude of circumstances. While a limitation on the number of offerees may be helpful, it will not suffice to insure that a public offering is not involved. Consideration must also be given to such factors as the size, type and manner of the offering, the character of the security concerned and especially the relationship between the offerees and the issuer. In the case of *SEC v. Ralston Purina Co.*, the Supreme Court restricted the Section 4(1) exemption to an offering made only to those people who have ready access to the type of information which they might otherwise gather from a registration statement. It must also be remembered that the exemption does not come into existence simply because the offerees are in fact furnished adequate information about the issuer. A contrary determination would, of course, give each issuer the choice of registering or making its own voluntary disclosure free from Commission scrutiny.

Warns Purchasers Who Are Underwriters

Even where the offering is made to a small and knowledgeable group, the exemption will not exist if the initial purchasers have not taken the securities for investment but are operating as conduits for a distribution to the general public. Initial purchasers who thus acquire securities with a view to their resale fall into the category of statutory underwriters and any distribution by them is subject to the registration requirements. Well aware of this problem, attorneys have developed the practice of obtaining written representations that purchasers have acquired securities solely for investment and not with a view to resale. However, neither the Commission nor the courts have been impressed by the so-called investment letter, and a ritualistic recital to this effect is not conclusive nor even particularly persuasive as to the availability of the exemption. The courts and the Commission have repeatedly warned that an issuer distributes securities "at its peril." Whatever may be the excuse, an issuer will be held responsible when it sells its stock to a person who intends to and does make a public distribution thereof.

Another popular misconception is that the mere passage of time after receipt of securities establishes a presumption of investment intent. Thus, the expiration of a year after purchase has been relied upon as compelling evidence that the original investment representation has been satisfied. However, there is no statutory basis for concluding that a purchaser may shed his status as an underwriter by holding for six months, a year, or any period of time whatsoever. Of course, the length of time elapsing between acquisition and resale is one of the evidentiary facts to be considered, and the longer the period of retention the more cogent the argument that the resale is not at variance with the original commitment.

The parties also frequently point to a subsequent change of circumstance which is alleged to make a present intent to sell consistent with a prior intent to buy for investment. Whether a particular change in circumstance was not really within the contemplation of the purchaser must, of course, be determined in the light of all the available facts. Generally speaking, the Commission has tried to administer the securities laws with understanding and to keep in mind that few men receive the gift of prophecy and that an investment intent does not infer an intent to hold forever. On the other hand, it would be unrealistic for us not to recognize that a colorable change of circumstance may readily be adduced in almost every instance. Accordingly, the Commission scrutinizes the context in which securities were issued and asks for some objective evidence that they were not acquired simply as a "good deal" and as part of a portfolio of speculative securities subject to the normal vagaries thereof.

There has been some effort made to insure compliance under Section 4(1) by restricting transferability for a period of time. This really does not meet the issue. The test of the section is the intent of the purchaser who can intend to sell his participation now or at the expiration of a year from now, but in either case has taken with an intent to sell.

What Constitutes Intra-State Exemption

Another exemption often used by syndicators is the so-called intrastate exemption provided by Section 3(a)(11) of the Act. This section exempts from the registration and prospectus requirements "any security which is a part of an issue offered and sold only to persons resident within a single state or territory where the issuer of such security is a person resident and doing business within, or, if a corporation, incorporated by and doing business within, such state or territory." At the outset, you should be warned that the Commission takes the position that the exemption requires that the issuer conduct its principal business within the state of issue. It has been urged that the location of the syndicate's home office, where financial and business records are maintained, meets the "doing business" test, regardless of the location of the real estate. This is not the Commission's point of view. In the case of real estate syndicates, we believe that the principal place of business is the situs of the real property which it manages. We recently had a case where a limited partnership had been organized under New York law but had its principal asset in Arizona. It proposed to offer limited partnership interests in New York to New York residents without benefit of registration. In defense of its reliance on Section 3(a)(11), the syndicate manager pointed out that all business transactions were conducted in New York, including receipt of rental payments from the Arizona real estate, which had been leased on a long-term basis. However, since the syndicate's principal asset and source of income was located outside New York, the Commission held that the 3(a)(11) exemption was not available. We took the same view in 1957 in the case of a California corporation which was to buy a hotel in Nevada, and were upheld in court.

Section 3(a)(11) requires that the entire issue be confined to a single state in which the issuer, the offerees and the purchasers are resident. Since the exemption is designed to cover only securities distributions which are essentially local in nature, the phrase "sold only to persons resident" cannot be interpreted as limited to the initial sales by the issuer if any purchasers fall into the category of statutory underwriters. It was very early held that the securities must be found only in the hands of residents who have purchased for investment and not with a view to resale to non-residents. I may say that we consider "residence" as being equivalent to "domicile," and that we do not condone sales to transients or other persons domiciled elsewhere.

Any resales to non-residents, however few, render the exemption of Section 3(a)(11) unavailable for the entire offering. The fact that representations of residence and agreements not to sell to non-residents have been carefully gathered should not be relied upon as establishing the availability of the exemption. Once more, the issuer distributes securities at his own peril, and he may well find that a devious-minded purchaser has destroyed the issuer's exemption and subjected him to a heavy liability by quickly disposing of the securities to non-resident investors.

The fragility of the intrastate exemption are particularly imsized. We may suppose that it was predicated on the image of a local enterprise selling to local people who, because of geographical proximity, would be in a position to understand and obtain knowledge about the business. I am not going to discuss whether or not this image is now, or ever has been entirely realistic. What is important to know is that the Section 3(a)(11) exemption is extremely restricted in its scope and must be handled with great care.

The limitations of the intrastate exemption are particularly important since the great bulk of unregistered real estate syndications have purported to rely thereon. We have reason to believe, as Professor Berger pointed out, that in some cases, at least, this reliance has been hopelessly misplaced and that the distributions have not been exempt under Section 3(a)(11). We have not to date been inclined to deploy our limited enforcement manpower against the real estate syndicates, thinking it more fruitful to center upon the boilerrooms and other dispensers of fraudulent securities.

In this connection, it is relevant to note that most syndicates require a fairly heavy minimum participation and appeal to a fairly tax conscious, fairly high tax bracket and fairly sophisticated group. I do not mean to suggest that these people are not entitled to the protection of the securities laws, but I do suggest that they are better able to take care of themselves than is the average investor. In fact, this very ability of these purchasers to protect themselves could conceivably result in an appalling loss to an incautious promoter. I suggest, for example, that the issuer pause and reflect upon the civil liabilities to which the syndicate managers expose themselves in dealing with substantial and sophisticated investors on the basis of anything less than a strict compliance with the securities laws and in particular a strict observance of the limitations of the intrastate exemption. Moreover, the Commission cannot be expected to continue to countenance evasions of the statute and may be expected eventually to pay a great deal more attention to the syndicate promoter who edges across the narrow margin of Section 3(a)(11).

I have assumed in this presentation that the amount involved in the syndicate operations is very substantial, as most of them are. If the matter involves less than $300,000, the exemptions authorized under Section 3(b) of the 1933 Act are available, and filings may be made under Regulation A. This technique has been employed in some cases, but I do not believe they are very common.

Under all of these exemptive provisions, serious problems arise when the transaction is being financed only in part by the syndicate operation. These integration questions take all conceivable forms, and I do not have time to do more than mention them. If they are present, they must be given very serious attention in order to make sure that they do not vitiate the protection otherwise afforded to the issuer under the law.

Finally, I think I should remind promoters that none of the exemptive provisions of the 1933 Act protect the issuer or the syndicate managers from the liabilities inherent in the anti-fraud provisions of Sections 12 and 17 of the Act. The sale by fraudulent devices, if interstate communication facilities are involved, of any security to anyone is unlawful, and subjects the seller to both civil and criminal liability.

The New Tax Treatment

I think that, as a final topic, I should discuss the real estate investment trusts which have recently been the subject of an amendment to the Internal Revenue Code. In substance, this amendment provides much the same tax treatment for qualified trusts, which are substantially limited to investments in real estate and real estate mortgages, as is provided for "regulated investment companies." Thus, such real estate investment trusts may under certain circumstances be allowed to distribute earnings to their shareholders before taxes. Since taxation as an investment company may not provide all the advantages of taxation as a partnership, the degree to which the amendment will affect the present pattern of syndication remains somewhat doubtful. Some of these tax problems were discussed in an article in the *Commercial and Financial Chronicle* for Oct. 6, 1960, and I am sure that the real estate bar generally will give them close study.[1] The only point I want to make is that the amendment does not affect the Federal securities laws. In the first place, depending upon the actual or proposed nature of its portfolio and the nature of the securities it issues, a real estate investment trust may come within the definition of an investment company as set forth in Section 3(a) of the Investment Company Act of 1940. However, an exception from the requirements of the 1940 Act is available under Section 3(c)(6) for a company whose business is primarily that of "purchasing or otherwise acquiring mortgages or other liens on and interests in real estate" so long as it is not "engaged in the business of issuing face-amount certificates of the instalment type or periodic payment plan certificates."

I will admit that this provision is rather obscure upon analysis, as is true of so many provisions of the Investment Company Act.

1 cf. Mr. John C. Williamson's article, "Realty Investment Trusts Poised for Launching."

igitized for FRASER
ttp://fraser.stlouisfed.org/

However, it is reasonably clear that the character of the trust's assets would be a crucial factor in determining the applicability of the exception. Thus, in the absence of the issue of the special types of securities referred to in the statute, the Commission would raise no question under this statute where a real estate investment trust has invested exclusively in leases or in real estate or in mortgages or liens secured by real estate. On the other hand, a trust which invests in the securities issued by another trust (as is permitted by the amendment) or in any securities of a company engaged in the real estate business or in other securities might conceivably not qualify under the exception.

Among other things, the amendment to the Internal Revenue Code requires that, in order to qualify for special tax treatment, the trust's securities must be beneficially owned by 100 or more persons. In view of this provision, it appears unlikely that the scope of the offering could be limited in such a way as to make available the so-called private offering exemption which I have previously mentioned. Whether any of the other exemptions contained in the Securities Act would be available would depend on the facts and circumstances in each case. However, it should be noted that the intrastate exemption provided by Section 3(a)(11) is not available to an investment company registered or required to be registered under the Investment Company Act, and the Commission will not be troubled in such cases by the problems presented in intrastate offerings. Where, however, the trust is designed so as not to require registration under the 1940 Act, the problem of the intrastate exemption will be the same problem which confronts the ordinary real estate syndicate.

In concluding this discussion, I might mention that we have received a number of inquiries as to the applicability of the securities laws to real estate investment trusts. I hope that these inquiries will be answered by this discussion and by a release on the subject which the Commission has just issued. [See full text below—Ed.] However, if the advantages of this form of organization are such as to encourage its wide use, I am sure that there will be novel problems which we will be called on to answer, principally under the 1933 Act or the 1940 Act. Our staff always stands ready to consult on these or any other problems. Given the cooperation between the industry and the Commission which we have enjoyed in the past, I am sure that real estate difficulties will not become unduly vexatious.

SECURITIES AND EXCHANGE COMMISSION
Washington 25, D. C.

Securities Act of 1933
Release No. 4298
Investment Company Act of 1940
Release No. 3140
Securities Exchange Act of 1934
Release No. 6419

Real Estate Investment Trust

The Securities and Exchange Commission has received a number of inquiries as to the applicability of the Federal securities laws to real estate investment trusts as defined in a recent amendment to the Internal Revenue Code (Public Law 86-779, September 14, 1960). This amendment provides substantially the same tax treatment for qualified trusts which are substantially limited to investments in real estate and real estate mortgages as is provided for "regulated investment companies," but it does not amend any of the statutes administered by this Commission. A real estate investment trust may be subject to the provisions of the Federal securities laws, depending upon the circumstances involved in offering its securities for sale, the nature of such securities, and the character of the trust's investments.

The amendment, among other things, requires that, in order to qualify for the special tax treatment provided, the trust's securities must be beneficially owned by 100 or more persons. In view of the number of beneficial owners required, it appears unlikely that the scope of the offering could be so limited as to make available the exemption provided in the second clause of Section 4(1) of the Securities Act of 1933 for transactions by an issuer not involving a public offering. Thus, consideration should be given to Section 5 of that Act which requires that, unless an exemption is available, a registration statement must be filed before a public offering of securities may be made by any means of transportation or communication in interstate commerce or by use of the mails and that such statement must become effective before any sales may be made by such jurisdictional means. Whether any of the exemptions from Section 5 contained in Sections 3 and 4 would be available would depend on the facts and circumstances of each case. In this regard it should be noted that the exemption from the registration of securities under the Securities Act of 1933 provided by Section 3(a)(11) of that Act for certain intrastate offerings is not available to an investment company registered or required to be registered under the Investment Company Act of 1940.

A real estate investment trust, depending upon the nature of its investment portfolio and the nature of the securities it issues, may come within the definition of an investment company as contained in Section 3(a) of the Investment Company Act of 1940, in which event, absent an available exemption or exception, registration of the trust under that Act would be required. One exception from the requirements of the Act which may be applicable to a real estate investment trust is that contained in Section 3(c)(6)(C) of the 1940 Act for a company primarily engaged in the business of "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate" and not "engaged in the business of issuing face-amount certificates of the installment type or periodic payment plan certificates."

Thus, in determining the applicability of the exception contained in Section 3(c)(6)(C), the character of the trust's assets must be considered. In this respect, no question would be raised where a real estate investment trust invested exclusively in fee interests in real estate or mortgages or liens secured by real estate. A trust, however, which also invested to a substantial extent in other real estate investment trusts (as is permitted by the amendment) or in companies engaged in the real estate business or in other securities might not qualify for this exception. Questions in this respect can be determined only on the basis of a consideration of the facts and circumstances in each case.

The other question to be considered in determining the availability of the Section 3(c)(6)(C) exemption is the nature of the securities issued by the trust. A face-amount certificate of the installment type is defined in the Investment Company Act of 1940 as "any certificate, investment contract, or other security which represents an obligation on the part of its issuer to pay a stated sum or sums at a fixed or determinable date or dates more than twenty-four months after the date of issuance, in consideration of the payment of periodic installments of a stated or determinable amount . . . ." A periodic payment plan certificate is defined as "(A) any certificate, investment contract, or other security providing for a series of periodic payments by the holder, and representing an undivided interest in certain specified securities or in a unit or fund of securities purchased wholly or partly with the proceeds of such payments and (B) any security the issuer of which is also issuing securities of the character described in Clause (A) and the holder of which has substantially the same rights and privileges as those which the holder of securities of the character described in Clause (A) have upon completing the periodic payments for which such securities provide."

Consideration should also be given to whether the broker-dealer registration and other regulatory provisions of the Securities Exchange Act of 1934 are applicable to the real estate investment trust and those who sell its securities.

Copies of the amendment to the Internal Revenue Code may be obtained for ten cents from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

By the Commission,
Nov. 18, 1960.

ORVAL L. DuBOIS,
Secretary.

***An address by Mr. Gadsby before the Columbia University Club given by H. K. Negbaur & Co., a real estate firm, New York City, Nov. 18, 1960.**

To Be Krieger Partner

Gerald M. Golkin, member of the American Stock Exchange, will become a partner in Henry Krieger & Co., 25 Broad Street, New York City, effective Dec. 1.

Mertronics Corp.

(Special to THE FINANCIAL CHRONICLE)

SANTA MONICA, Calif. — Mertronics Corporation is engaging in a securities business from offices at 2330 Michigan Street. Officers are Harold V. Huleguard, President; Walter G. Clinchy, Vice-President; Thomas F. Butler, Secretary and Treasurer; and Frederick W. Hornbruch, Jr., Chairman.

Now Brager and Company

WASHINGTON, D. C.—The firm name of Harry E. Brager & Associates, 1218 16th Street, N. W., has been changed to Brager and Company.

Bzura Chemical Common Sold

P. W. Brooks & Co. Inc. and Lee Higginson Corp. jointly managed an underwriting group which offered on Nov. 29 450,000 shares of Bzura Chemical Co. Inc. common stock at a price of $10.50 per share.

Of the 450,000 shares offered, 350,000 shares are being sold for the company and 100,000 shares for the accounts of certain selling stockholders.

Net proceeds from the sale of its 350,000 shares will be used by the company to expand its capacity for the production of fumaric acid; to complete construction of a new citric acid plant and to cover start-up and pre-operating expenses; to expand the company's research and pilot plant facilities to enable pilot-plant and semi-plant production of itaconic acid and certain other new products, and for working capital for inventory and receivables related to operation of the citric acid plant and the new fumaric acid facility.

The company is engaged in the manufacture of citric acid and fumaric acid and related organic chemicals and in research in the field of fermentation chemistry. Citric acid is the most widely used organic acid in the manufacture of foods and soft drinks; and it is also extensively used in pharmaceuticals and has many other applications. Fumaric acid is an organic acid used in making certain polyester resins, polyurethane resins, fumarated rosins, fumarate esters and oleo resinous paints. The company has been engaged in the manufacture of fumaric acid, through its wholly-owned subsidiary, Bzura, Inc., at a plant in Keyport, N. J. A second plant for making fumaric acid has been built at Fieldsboro, N. J., adjacent to the citric acid plant, and start-up operations and test runs are now in progress.

Upon completion of the current financing, outstanding capitalization of the company will consist of $2,870,000 of sundry debt and 2,967,000 shares of common stock.

Form Equity Planning

PARAMUS, N. J.—Equity Planning Co. has been formed with offices at 119 Schimmel Street to engage in a securities business. Philip Melnick is a principal.

Mayo & Co. Formed

PHILADELPHIA, Pa. — Mayo & Co. Incorporated has been formed with offices at 1411 Walnut Street to engage in a securities business. Louis Mayo Jr. is a principal of the firm.

Alarm Device Common Sold

Golkin, Bomback & Co. and associates offered on Nov. 29 130,500 shares of Alarm Device Manufacturing Co. Inc. common stock at a price of $4 per share. The shares are issued and outstanding and are being sold for the accounts of certain selling stockholders.

The company manufactures and sells burglar and fire alarm equipment. The company makes local burglar alarm systems and the major components utilized in substantially all types of such alarm and security systems. The company's plant in Brooklyn, N. Y. also manufactures a full line of fire alarm bells for industrial use, certain other components utilized in fire alarm systems and two complete fire alarm systems for home use.

For the seven months ended July 31, 1960, net sales were $656,666 and net income $129,965. As of Oct. 15, 1960, outstanding capitalization consisted of 451,000 shares of common stock and a mortgage payable in the amount of $56,085.

Du Kane Securities Opens

AURORA, Ill.—Du Kane Securities, Inc., 63 South La Salle St., is engaging in a securities business.

Why You Need—

HOW TO SELL SECURITIES

By JOHN DUTTON

(In Your Business)

This 60-page booklet — available exclusively from us — is designed to help you increase your business through modern, proven investment selling techniques. Its 25 chapters are full of practical and proven selling and promotional ideas. John Dutton drew it from the best of his popular weekly columns in The Commercial and Financial Chronicle. You'll learn about

- ★ **Obtaining a client list**
- ★ **The initial sales approach**
- ★ **The final sale**
- ★ **The various categories of investors — and their accounts. These are defined and you're told how to develop each of them to their maximum potential**
- ★ **Techniques you can use to analyze — on your own — the relative attractiveness of various securities and their vital balance sheet items**

In 1001 ways this booklet can help you be a better salesman and run a more profitable selling operation. Your own copy will be rushed to you immediately on receipt of your order.

ORDER YOUR COPY TODAY

PRICES ON QUANTITY ORDERS ON REQUEST

COMMERCIAL & FINANCIAL CHRONICLE
25 PARK PLACE, NEW YORK 7, N. Y.

Gentlemen:

I enclose $2. Kindly rush my copy of "How To Sell Securities" to

Name..............................

Address..............................

City.................. Zone...... State..........

Digitized for FRASER
http://fraser.stlouisfed.org/

Union Policies Must Conform To the New Business Climate

Continued from page 5

ciation or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries."

Now, surely, a bargaining power great enough to avoid the alleged tendency of employers to depress wages—a bargaining power great enough to accomplish stabilization of competitive wage rates, things which the policy statement mentioned, would be a power massive enough to do many other things as well.

And so it has been, as nationwide unions emerged and pushed on toward an ever higher level of wages and benefits and an ever-widening ambit of bargaining, and the unrelenting tide of inflationary pressure has rolled on.

Although 25 years have gone by since the Wagner Act became law, we don't yet know the full reach of the legal duty to bargain in good faith. The outer limits of the area for compulsory bargaining seem to be about as definable as the limits of outer space, although of infinitely greater practical importance from the standpoint of profitable operations of most businesses.

The legal limits, such as they are, may lie mainly in law other than labor law. If labor pushes too far toward codetermination of at least some of the areas still remaining in management's area of discretion, labor's eventual entanglement with the anti-trust laws, which it surely does not want, is just as surely accelerated.

Drawing Up a Balance Sheet

How can we now draw up a kind of provisional balance sheet to see what has been accomplished in the labor-management area during the period in which the law has been in effect?

I would certainly not want to be heard to say that all developments which have been the outgrowth of collective bargaining over the last quarter-century have been bad. Unions have stimulated management into paths of more constructive treatment of the interests of its employees. And even where plants or industries are not organized, the ever-present threat of organization has served to keep managements alert to the necessity of dealing fairly and honestly with their employees.

But the basic problems which were at hand when we began the period are still with us and, if anything, their peaceful solution has been made more difficult as time has gone by.

Nearly 60 years ago, Chief Justice Oliver Wendell Holmes observed that:

"One of the eternal conflicts out of which life is made is that between the effort of every man to get the most that he can for his services and that of society, disguised under the name of capitalism, to get his services for the least possible return."

Now, one may argue that this is a somewhat exaggerated statement in many respects. It is true of course that employees naturally aspire to improve their wages and the security of their position, and that employers naturally aspire to a constantly more effective fulfillment of their function in the competitive enterprise economy. But it is also true that neither side can succeed for long in the accomplishment of the interests which motivate it if there is not a proper regard for the interests of the other; but unfortunately, and here is the real rub, the forces unleashed by the law of 25 years ago seem to have made it constantly harder to find the framework for developing any real appreciation of the degree of mutuality of interest of all of the groups which make up a particular enterprise. The massive union movements which have emerged simply do not seem to be compatible with the solution of labor disputes in terms of the problems of the separate competitive units which are the heart of our free enterprise system.

Sees No Gain in Peaceful Bargaining

Certainly, the "balance of power" concept implicit in the Federal Law has brought us no closer to an ability to find peaceful solutions to bargaining problems than we were at the beginning of the period. The major consequence is that the problems have become bigger as the power centers which treat with them have enlarged, so that now we are faced with instance after instance in which a single labor leader can virtually interrupt the commerce of the entire nation all at once, with almost total disregard for the wishes of the employee and best interests of both the employees and employer who are joined together as a competitive unit of enterprise.

As we earlier observed, the law apparently set out to change what its framers considered to be an imbalance of power then running in favor of employers. In this, it truly succeeded, for certainly the over-riding observation to be made about the last quarter-century is that whereas unions entered the period in the role of the mistreated underdog, in the role of the White Knight in Shining Armor who could do no wrong, they have emerged as tremendous, established aggregates of power, recognized as capable of abusing, as well as using, their power. It is this power—economic power over vital industry—so great as to stand as a continuing threat to the economy of the nation, and political power, great enough to be held as a continuing threat over the heads of both parties—which has created a new image of unions today and which causes grave concern over the future of collective bargaining.

Certainly, in assisting and tolerating the formation of unions which operate on a nation-wide basis, crossing and disregarding competitive lines, the law has done little to diminish the causes of labor disputes. One has the uneasy feeling that the concept of unionism which it has encouraged actively depends for its status upon the ultimate disestablishment of the last shred of identity of interest between employer and employees of a particular enterprise. One has the feeling that the law has encouraged a kind of unionism which is more concerned with the progress of unions as such, than with the real progress of employees as a part of the competitive production unit of the enterprise system with which they have associated themselves.

And meanwhile the institution of collective bargaining is being severely criticized. People everywhere are saying that if collective bargaining means strikes like we've had and means inflation like we've had—then there's got to be some other way. But what "other way?"

Recently the podiums of the country have been flooded with people who want to make a constructive suggestion. As a free citizen in a free economy who hopes that it is going to stay that way, I would like to at least suggest some criteria for testing suggestions which either I, or anyone else, may make.

Let's start with the frank recognition that our economy is being challenged today in an entirely new sense, and that this is a principal fact which is going to color our industrial relations picture in the next quarter-century. Our economy is being challenged by a number of friendly nations, most of whose plants and facilities have been developed and brought into production in modern times and who are able, therefore, with modern methods and lesser hourly labor costs to challenge the best in many areas that we are currently able to do here in America. As serious as this is, we are also being challenged by a totally unfriendly nation, whose declared purpose is to destroy our way of life—not necessarily by warfare in the old sense, but by economic warfare, waged with the intensity of the bitterest pitched battle.

How are we going to meet this kind of competitive challenge? Are we going to meet it by more and more government intervention in labor relations—by government control over what should be produced and when it should be produced—by government determination as to how to meet a predetermined growth rate?

Or are we going to meet it by showing that a free economy in the fullest sense of the word is still the most constructive solution to the satisfaction of human needs and is still the most constructive, productive type of economy the world has ever known?

I know this—that if our course is going to be to turn to more and more government intervention—if we are going to compete by resort to the same type of planned economy with which we are competing—then the effort will not be worth the candle—at least as far as I'm concerned. I am vastly more interested—and believe most Americans are more vitally interested — in the survival of our American ideals of freedom—religious freedom, economic freedom, political freedom—than I am in arguing over which nation can run the best economy.

What has all of this to do with policies and solutions regarding future collective bargaining problems?

Just this: That if we are going to try to keep a free society—we'd better start trying to solve our problems by trying approaches which tend to bolster the total concept of freedom — rather than edging closer and closer to a planned economy and a controlled society. Yet the problems which plague the country as a result of major labor disputes loom so large in the minds of many people that they seem on the verge of being willing to cast freedom to the wind in return for peace.

Compulsory Arbitration

How many people are there who suggest that the answer to the king-size labor disputes of our day lies in compulsory arbitration or some other government-motivated device designed to supply the "answer" for a particular bargaining dispute. Even if some don't know such people, the poll takers find them—and they find them in frightening numbers. Maybe these people really think such suggestions would not affect them, other than by removing them and the economy from exposure to the hardships of crippling strikes.

But they would be wrong. For no economy can remain half controlled and half free for long. If wages and working conditions are to be determined by politicians, in some bargaining disputes, they will soon be determined in all bargaining disputes. If wages and working conditions are to be dictated, then prices and, hence, profits must be dictated. If freedoms in respect to labor contracts are removed, then so will be freedoms in respect to commercial contracts. The corporate state will have arrived in short order.

Labor unions are as shy of compulsory arbitration and other approaches to controlled dispute settlements as management is. They know full well that a free society is a necessary prerequisite for the existence of unions.

They know also that an aroused public opinion could turn to this unwise course unless something is done to change the atmosphere which currently prevails. Finally, they know that the primary onus of the problem falls on their shoulders. So they have been quite busy with a counter attack. They have spread everywhere the gospel that managements across the land are conspiring to present a new hardened attitude to unions and are busy trying to find ways to destroy them. Unfortunately, they are disinclined to recognize the problem for what it is; namely, a manifestation that the growing competitive pressures on American business make unavoidable a departure from past union wage and benefit policies; rather they suggest that the problem is mainly one of attitudes which might be fixed if only the right kind of top level people from both management and labor could get together, get to understand each other better, and in the course of their discussions work out some guidelines for just and harmonious labor relations.

Fallacy of Top Level Conferences

These suggestions for summit meetings, Presidential advisory boards, Tripartite councils and the like, all sound very statesmanlike. They appear to place unions firmly on the side of desiring industrial peace—firmly on the side of desiring the best of all possible worlds for everyone.

Union leaders have been at pains to contend that such proposals involve nothing compulsory, but simply the development of voluntary recommendations — designed to preserve the best of the free enterprise system.

One cannot but wonder, however, whether any area of agreements at summit level could assist in resolving the problems of any particular bargaining dispute. Would there develop a recommended national wage policy? Could there be such a thing without a recommended national price policy? Is there implicit in these suggestions the idea that some group of top level executives, some group of top level union officers, and perhaps some group of respected government or public representatives would, in their infinite wisdom, come forward with some plans and programs which would tell us all how the growth of the country should be fostered and planned, how the fruits of growth should be distributed, and how the impact of change which inevitably accompanies growth should be administered, here, there, and everywhere?

If these implications are fairly drawn, then I believe that we would all agree that these top level conferences are as potentially dangerous to the maintenance of a competitive free market society as compulsory arbitration.

Suggestions of this sort for finding a better way have been appearing from time to time over a long span of years. After World War I, a National Industrial Conference was called by President Wilson to treat with postwar labor strife. It was requested by him to formulate principles for "genuine and lasting cooperation between capital and labor." And again, after World War II, a Labor-Industry Conference was called by President Truman. In light of the threat of post-war industrial turmoil, he wanted this conference to establish "a broad and permanent foundation for industrial peace and progress." Both of these postwar high-level conference attempts were failures. A recent news article commented to the effect that the first one foundered on the issue of union recognition, and the second on the issue of union security.

Union Goal Would Kill Enterprise

Any new conferences, at any level, even collective bargaining conferences themselves, could founder over this issue if it continues to represent the virtually limitless concept which it now does. It seems to involve much more than being accepted as the bargaining agent of the employees; it seems to involve much more than compulsory membership for all employees within a bargaining unit. It seems to involve the concept that a union is insecure as long as there are any groups of employees anywhere who may have chosen not to rely upon the bargaining services of a union.

It seems to involve the concept that a union must stay at arm's length from the employer and, in fact, cultivate the image that the employer is the natural enemy of the employees who must be beaten down from time to time. It seems to involve the concept that a bargaining settlement must be a "victory" for the union, rather than an acceptable accommodation of mutual interests. It has seemed to involve union necessity to engage in constant enforcement of wage and benefit improvements far in excess of those justifiable on any calculation of improving productivity, presumably to support the illusion that unions have brought about the rising standards of living which are really made possible by improved productivity. In short, it has seemed to postulate requirements for union security which are completely at odds with the successful operation of the competitive enterprise system.

If continued inflation and a deteriorating ability of American enterprise to meet the new challenges of a competitive world are the prices which must be paid for a secure union movement, then union security as thus described is going to become a luxury which I believe this nation cannot afford.

Obviously, this is not what has to be—and both union and management leaders know it. There is so much community of interest between employers and employees and their representatives that we simply cannot let our free society founder over our inability to resolve our differences.

But in our zeal to find solutions we should not, in my judgment, move in the direction of making our problems ever larger, and try to carry them to ever higher levels, levels which are ever more remote from the respective employer - employee relationships which we are trying to improve.

Surely no small group of union leaders can speak for all employee groups—and surely no small group of industrial executives, no matter how constituted, could speak for all of management.

Would Restore Competitive Units

Surely what we need to be doing is trying to find the means to place our efforts to improve understanding and our efforts at improved communication back into the framework of competitive units which are the foundation of our enterprise system.

Make no mistake about it—we face the potential of some very bitter years ahead, although it is certainly not the desire of management that they be that way. A great momentum has been built up over the past 25 years; the level of settlements have been higher than can possibly be accommodated in the future as the pace of competition accelerates. Restrictions on efficient operations have been built into our labor agreements

igitized for FRASER
p://fraser.stlouisfed.org/

during periods when the tolerance of the economy for such restrictions were greater than is it now.

What can we do in the hope of peacefully adjusting to both the management and employee problems inherent in this new economic climate?

Well, of course, we must continually work with union representatives in any forum that lends any hope of producing the opportunity for better understanding. It is not an answer to assume that economic force is the only way — and for unions and companies to spend their time between bargaining sessions working up the blasts which they will level at each other as soon as they are next scheduled for a bout in the collective bargaining arena. We must hope that something can be gained in the way of understanding—in the way of understanding the ultimate necessity of common goals as between the parties—from a continuing exposure of proper representatives of the bargaining parties to the needs and viewpoints of the other side. We have tried this kind of thing in the steel industry before—and without much success — but are trying again — and we must try again. Some are aware of our Human Relations Research Committee which provides a forum for these efforts. We must live in hope that little by little something can be accomplished.

What Management Must Remember

But there is more that needs to be done. After all, the employees, themselves, are, or ought to be, the heart of any labor organization—just as they are the heart of the business organization with which they have associated themselves. For too long, managements acted as if they thought that a union-represented employee was just that, with almost all the emphasis on "union represented" and very little on the fact that he was still an employee. They acted as though an employee's sense of identity with his company disappeared when he elected union representation, and therefore any real efforts at meaningful communication with employees became neglected.

I will admit that much has appeared to justify such an attitude in the past. It gives management no comfort to see employees blindly hit the bricks in support of demands which they may not understand and may not care about. It gives management no comfort to hear from some union employee that he's not interested in thinking or talking about some issue because he's paying X dollars a month to X union leader to do his thinking for him.

But where this kind of condition exists, does it not simply confirm the terrible default on the part of management in having failed to try in every way it knows how to treat the employees still as its employees — whose progress and livelihood is unalterably intertwined with the progress and livelihood of the enterprise with which each is associated?

"Communications" may be an overworked word, but it is certainly an underworked art, from the management standpoint. In the learning and perfection of this art —both with the public and with the employees—lies the real potential for a change in the pattern of inflationary and restrictive settlements of the past—and therefore for an improvement in management's ability to meet the competitive challenges it is now facing.

Rank and File Are Beginning To Learn

A poor response to communications efforts in the past can be no excuse for failure to keep trying; after all employees are a lot smarter than they used to be—and so, hopefully, is the management. There are encouraging signs that employees are gradually coming to understand that collective bargaining is not like a beautiful rainbow at whose end can be found a pot of gold for the asking; they are coming to understand that inflationary wage increases are bound to fall out in increased prices; they are coming to see first hand the product of foreign labor on our shores. After all, several decades of painful experience can scarcely be ignored, and thinking employees are coming to question a lot of things they had taken as gospel from their union leaders for a long time. Thinking employees deserve the facts; they deserve the opportunity to know of the company's problems, and how it is trying to meet them. They deserve the opportunity to exercise their identity with their company's future in a knowledgeable way, if that is their desire.

Not An Anti-Union Act to Give Facts

Increasing knowledge — wider understanding of facts — throughout history has tended to reduce strife—to enable reason to be substituted for force. Unfortunately, however, in this field mere efforts of management to move in this direction seem to incite strife. It is discouraging to see the extent to which unions will go in trying to characterize every effort by management to improve the understanding of employees as union-busting. The contention that such actions are anti-union is surely a concession that unionism must be anti-company. The time is long since past for unions to be taking refuge behind the hysterical claim that employers are trying to destroy the union movement just because they may indulge in the constitutional privilege of free speech in trying to have employees understand the economic facts of life from their standpoint. If unions are really interested in industrial peace and progress, a change in this attitude is one of the most constructive actions they could take.

Management Must Proceed

With or without union objection, however, American business management must proceed to redevelop its communications with its employees.

If employees do not understand the economic facts surrounding the company in which they work; if they do not have enough knowledge to assist them in judging between fact and fiction; if they have no sound basis for appreciating how their interests are tied to their company's financial health; if they do not understand something about the competitive market system—how can a company complain if employees blindly follow union leadership which, for its own political purposes, may follow a course of constantly smothering the opportunity of free enterprise for growth and greater fulfillment of the needs of our free society?

Unions, after all, are political organizations, in the sense that they are elected by employees, but it is up to management to help to make the climate in which it can be "good politics" for unions to follow policies which assist rather than harm the interests of the enterprise of which the employees are a part. Only in this way can unions and management combine in making possible the fullest employment of American industry in the service of the nation and the security of its people.

Now, at about this point, you may be saying to yourself that the assigned title for these remarks was "industrial relations for the Future," and you haven't heard any mention of many of the specific items which you feel are going to be troublesome issues in the years ahead. And of course it's true that I haven't said a thing about automation, the shorter work week, contracting out, medical care, or any one of a host of specific issues which may become central issues for future bargaining if unions elect to make them so.

I don't deny that it will be important to know how to deal intelligently with any one of these problems—and the expertise required on both sides will increase —but in the final analysis whether or not any one of these problems can be resolved sensibly and with minimum strife is going to be determined by whether unions will be willing—or able—to try to seek resolution of them in a manner consistent with the best interests of a socially tempered free competitive enterprise system.

The Real Task That Lies Ahead

Many are the protestations of union leaders in which they avow support of our system of free competitive enterprise. Yet for years they have pursued a course wholly at odds with it. They have built organizations which enable them to control labor in entire industries—and even in competing industries. With their industry-wide organizations, they have advocated and enforced bargaining programs which deny the identification of employees' interests with the progress of the enterprise with which the employees are associated. They have denied the role of profit as the motivator of growth and progress. They have denied the role of the market as the discipline of profit.

They have been able to pursue their course thus far without killing off all chance for growth in productivity because in past years, the American market place has had a tolerance for inflation and its consequences which is no longer there. And unions are now faced with making a real adjustment in their programs and policies to accord with a new era. Can they—or will they—make it?

If this adjustment is not practical in union eyes—and if union power is not controlled—either by law or public opinion, or by force of the voice of the employees themselves — then, some unions may follow an alternative course, that of pushing on toward complete dominance of our political economy to the point where economic life could be run temporarily with almost exclusive regard for what are thought to be union interests. If this were to happen, free enterprise would be gone, and unions might have won a further battle, but the working men of the country might also discover that they would have lost the war.

Whether it works out this way —or whether bargaining will become oriented to the requirements of an efficiently operating enterprise system — may depend in substantial measure on the climate of opinion which employers throughout the country can help to develop among their employees and the surrounding public. This is the real task and challenge for industrial relations of the future.

*An address by Mr. Larry before the Nineteenth North Texas Personnel Industrial Relations Conference, Dallas, Texas.

Process Litho Common Sold

An underwriting group managed by First Broad Street Investing Corp. offered on Nov. 30, 145,000 shares of Process Lithographers, Inc. common stock at a price of $5 per share.

Of the 145,000 shares offered, 125,000 are being sold for the company and 20,000 shares for the account of a selling stockholder.

Net proceeds from the sale of its 125,000 shares of common stock will be used by the company for expansion and improvement purposes, including the purchase of a new large 4-color and large 2-color press; a new automatic step-and-repeat photo-composing machine; installation of the new equipment; modernization of the company's floor space in New York City, and the possible acquisition of companies in the printing field. The balance of the proceeds will be applied toward the reduction of current accounts payable, and used for working capital in connection with the proposed expansion of operations.

The company, located at 200 Varick St., New York, is engaged in commercial offset lithography, a method of commercial color printing by means of impressions offset from a lithograph plate and is distinct from other printing methods such as letterpress and rotogravure. The company is equipped to handle and perform all phases of offset lithography, from the photocomposing and preparation of the plates to the delivery of the printed product. Advertising brochures, pamphlets, bills, cards, packaging material and posters account for most of the company's production, although it has handled a variety of other types of offset printing.

For the six months ended June 30, 1960, the company had sales of $1,198,159 and net income of $76,739. Upon completion of the current financing, outstanding capitalization will consist of $243,287 of sundry debt, 300,500 shares of common stock and 30,000 restricted stock options.

Borneman Named by Schroder Rockefeller

The appointment of H. F. Borneman to the position of Assistant Treasurer of Schroder Rockefeller and Company, Incorporated, 61 Broadway, New York City, was announced by Avery Rockefeller, President of the company.

Mr. Borneman joined the staff of this investment banking firm on Dec. 1, 1959. He was formerly associated with the Treasurer's Department of the Socony Mobil Oil Company.

Security Traders Association Of Chicago, Inc.

Charles G. Scheuer George F. Hummel Theodore E. Wouk Glen J. Thoma

President: Charles G. Scheuer, *Wm. H. Tegtmeyer & Co.*
Vice-President: George F. Hummel, *Reynolds & Co.*
Secretary: Theodore E. Wouk, *The First National Bank of Chicago.*
Treasurer: Glen J. Thoma, *Harris, Upham & Co.*
Directors: Leonard Friedman, *Boettcher and Company;* Adolph C. Egner, *Shearson, Hammill & Co.;* John P. O'Rourke, Jr., *J. P. O'Rourke & Co.;* Morey D. Sachnoff, *Cook Investment Co.;* James H. Scott, *Blyth & Co., Inc.*

These distinguished (Security Traders Association of Chicago, Inc.) Officers invite you to attend their January 30th party at the Ambassador Hotel.

The CHRONICLE will cover this important meeting of the Chicago Traders with candid photographs and news briefs . . . in an 8-page special section.

We invite you to place your advertisement on these pages. Our rates are low. Please check size you wish and return now for preferred positions in the Chicago Traders issue.

WILLIAM B. DANA CO. • 25 PARK PLACE, NEW YORK 7, N. Y.

Please insert our advertisement as above in the Security Traders Association of Chicago Picture issue of THE COMMERCIAL & FINANCIAL CHRONICLE in space checked below. We agree to pay the rate indicated.

	Size	Rate
☐	2½ inches x 2 columns	$ 80.50
☐	3½ inches x 2 columns	112.70
☐	4¾ inches x 2 columns	152.95
☐	2½ inches x 3 columns	120.75
☐	4¾ inches x 3 columns	230.00
☐	Quarter Page (5¼ inches x 3 columns)	253.00
☐	Half Page (6-7/16 inches x 5 columns)	462.00
☐	Full Page (13 inches x 5 columns)	809.00

FIRM NAME__________
STREET__________
CITY__________ STATE__________
BY__________ DATE__________

Digitized for FRASER
http://fraser.stlouisfed.org/

PUBLIC UTILITY SECURITIES

BY OWEN ELY

National Fuel Gas Company

National Fuel Gas is an old line utility company (nearly 58 years old) with a conservative capital set-up, about 45% debt and 55% common stock equity. Dividends have been paid each year since 1903, about two-thirds of earnings having been paid out in recent years. While the company produces a small part of its gas sales, it is basically a distributor of gas. Last year gas was purchased at about 42c per mcf and, along with the small amount produced, was sold at an average of about 78c per mcf.

National Fuel Gas is a holding company, its subsidiaries including the Buffalo group—Iroquois Gas and Penn-York Natural Gas; the Oil City group—United Natural Gas, Sylvania Corp. and Mars Company; and the Warren group—Pennsylvania Gas and its subsidiary, Pennsylvania Oil and Jefferson County Gas. All subsidiaries are fully controlled with the exception of Pennsylvania Gas in which there is a small minority interest.

The system supplies gas to areas with a population of about 2 million in western Pennsylvania and New York plus a small section of eastern Ohio; Buffalo, Niagara Falls and Jamestown, N. Y., and Erie and Sharon, Pa., are the largest population centers.

Residential sales provide about 71% of revenues, industrial 16%, commercial 12%, and wholesale 1%. Space heating sales accounted for 57% of total unit volume of gas sales last year. Gas water heaters and gas ranges predominate, and gas clothes dryers are becoming common in customer households. Gas incinerators and gas refrigerators are being used in increasing numbers, and there is now an appreciable amount of gas air-conditioning equipment connected to the system. Conversion of gas for space heating in older homes accounts for a sizable portion of the increase in sales and should eventually reach a considerably higher saturation figure than the present 80%. In Buffalo, downtown hotels and office buildings also continue to convert to gas heat.

The system maintains some 30 strategically located underground storage areas and hence does not have to sell gas at cheap "interruptible" rates during the summer. All sales for industrial use are at regular tariff rates, and area industries historically have used gas only for higher grade purposes. Rapid rises in the cost of competing fuels, and higher labor costs have, in recent years, multiplied the opportunities to sell industrial gas. Each year new industrial customers are attached to the System, and existing customers convert additional processes to gas.

The company's principal industrial customers are in the steel and steel consuming areas, but the chemical industry is now also becoming important. In addition there are hundreds of smaller users who find the fuel ideal in such varied businesses as food preserving, malting, paving materials, dairy products, bakeries, electronics parts manufacturing, optical products, cereal processing, non-ferorus metal processing, silk processing, and other diversified lines.

The company has shown excellent growth, operating revenues having more than doubled in six years—from $50 million in 1953 to $105 million in 1959. As shown in the accompanying table share earnings (while irregular due to weather and other factors) have doubled during the 12-year period, from 88c in 1949 to an estimated $1.75 this year. Dividends, increasing from 60c to $1.20, have also doubled; and the price of the common stock has done a little better, having nearly tripled from the 1949 low to the 1960 high. Last year's outstanding earnings of $1.91 resulted largely from favorable weather conditions during the heating season, together with new business and adjustments in rates.

For the 12 months ended Sept. 30, earnings were $1.79 compared with $1.91 in the previous 12 months. Revenues increased nearly $7 million but the cost of purchased gas increased over $6 million and some other expenses gained (with a partial offset in income tax savings).

Like other gas distributors National Fuel Gas has had to pay its pipeline suppliers—Tennessee Gas, Texas Eastern, Columbia Gas and Consolidated Natural Gas—rate increases from time to time which are involved in proceedings before the Federal Power Commission. However, if some of these increased costs should be cancelled and refunds obtained, they will be passed along to the company's own customers, it is understood. The subsidiary Iroquois Gas Corp. has requested a rate increase of about $1 million and hearings are being held before the New York Public Service Commission. The amount would be equivalent to about 10c a share if obtained.

The company has paid dividends each year since 1903, about two-thirds of earnings having been paid out in recent years. At the recent price around 23 on the New York Stock Exchange, with an indicated dividend rate of $1.20, the stock yields about 5¼%. It is selling at only about 13.2 times the estimated earnings of $1.75 for calendar 1960 which compares with the industry average around 15.1.

Years	Revenues (Mill.)	Common Stock Record— Earnings	Dividends	Approx. Price Range
1960	*$110	*$1.75	$1.20	24 — 22
1959	105	1.91	1.15	25 — 21
1958	94	1.47	1.10	24 — 17
1957	86	1.39	1.10	20 — 16
1956	81	1.64	1.03	22 — 19
1955	72	1.57	1.00	23 — 20
1954	64	1.40	1.00	22 — 15
1953	50	1.11	.95	17 — 14
1952	46	1.38	.80	16 — 13
1951	42	1.19	.80	15 — 12
1950	36	1.23	.65	14 — 10
1949	30	.88	.60	11 — 8

* Estimated.

Lomasney Sells Tenax Debens.

Tenax, Inc. offered on Nov. 29 5¾% convertible subordinated debentures, due Oct. 1, 1960, bearing interest from Nov. 1, 1960, through Myron A. Lomasney & Co., New York City.

The company and its twelve wholly-owned subsidiaries operate an integrated business that sells freezers to the consumer, arranges for freezer-owner to be supplied, at his request, with foods by independent contractors and finances time payments by the purchaser of the freezer.

An aggregate of $380,000 of the net proceeds (after deduction for certain expenses) will be retained to discharge a total of $120,000 in short-term indebtedness, and be added to its general working capital to improve the ratio of available capital to the amount of installment sales contracts to be discounted with financial institutions.

In addition, approximately $1,000,000 will be made available by the parent company to its wholly-owned subsidiary, Tenax Discount Corp. of which $250,000 will be devoted to the repayment of a short-term bank obligation. The company's management believes that, based upon normal banking practice, the receipt of this $1,000,000 will enable Tenax Discount to raise an additional amount of money, thereby rendering it able to discount a portion of the several sales corporations installment sales contracts, and resulting in substantial savings in the over-all operation of the company and its subsidiaries.

From a single operation concentrated primarily in the New York City area, the company has grown without the acquisition of other concerns to a multiple operation that services certain metropolitan areas in the states of New York (including Connecticut), New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Virginia, Massachusetts, Rhode Island and New Hampshire.

Lafleur Co. Opens

Lafleur & Co., Inc. has been formed with offices at 61 Broadway, New York City, to engage in a securities business. Louis E. Lafleur is a principal of the firm.

First Citizens Corp.

LOS ANGELES, Calif.—First Citizens Corporation is engaging in a securities business from offices at 210 West Seventh Street. Howard Lewis is a principal of the firm.

Robert Mocrey Opens

Robert Mocrey is engaging in a securities business from offices at 19 West 44th Street, New York City, under the firm name of Robert Mocrey Associates.

Forms Shulman Co.

BALDWIN, N. Y.—Arthur Shulman is conducting a securities business from offices at 1570 Grand Avenue under the firm name of Shulman Company.

Form Smith Management

BROOKLYN, N. Y.—Smith Management & Brokerage Corp. has been formed with offices at 2114 Mermaid Avenue to engage in a securities business.

With Hill, Darlington

SEATTLE, Wash. — William F. Martin is now associated with the firm of Hill, Darlington & Grimm, 118 Fourth Avenue, as an account executive.

With Livingston, Williams

CLEVELAND, Ohio.—William E. Bodenhamer is now with Livingston, Williams & Co., Inc., Hanna Building.

AS WE SEE IT

Continued from page 1

question the Kremlin will be quick to grasp and exploit —has come in respect of the costs of maintaining our armed forces in the various countries and of contributing to the relief and development of so-called backward countries.

Costs of Defense

Representatives of this government have of late been trying to make a beginning at least in persuading certain of our present allies to assume more of what we regard as the burdens of preparedness to defend the free world from Communist infiltration and subversion. Current reports suggest that the task has been quite fruitless. In the case of Germany, as well as some of the other nations, we poured out vast sums to get economies back on their feet, and the results have been astounding. Now that many if not most of these countries are quite able to put a financial shoulder to the wheel, it is evident that they are reluctant to do any such thing.

All through World War II and ever since we have been playing Santa Claus on a scale that even we can not indefinitely continue; can not indeed continue much longer unless we are willing—which apparently we are not—to revamp our national policies at home. Billions upon billions of dollars have gone abroad in "unilateral transfers" and in the payment of military expenses. The process has been on such a scale and so prolonged that, along with other factors which really should not have been permitted to rise, questions have arisen about the stability of the dollar, and have obliged the Federal Government to take steps.

It is probable that that unwillingness of other countries now grown economically vigorous to step in to relieve us of some of this financial strain, which is becoming too much for even this country, is not altogether indifference to the common welfare of the western world. It is clear that there is really doubt in many minds abroad about the wisdom of the policies that we have been pursuing. This unwillingness to share the financial burden goes deep, and may well be difficult to eradicate—as are other differences among us.

Communists Divided, Too

Now at the same time that these differences are making the headlines, and at a time when the communist world is boasting about the "monolithic" structure of communism, it has for some time been apparent that our adversaries, too, are having their differences which may very well limit their effectiveness. In the headlines, these differences have to do with the relative advantages of "peaceful coexistence" with the non-communist world and the Leninist doctrine of the "inevitability" of armed conflict with the "imperialists"—the communist term for all who do not follow them. But a good deal more than an ideological or purely theoretical viewpoint is involved. So far do the differences go that they could conceivably alienate Russia and Red China, the two most powerful and most dreaded nations of the communist world.

But we must not permit ourselves to misunderstand the basic nature of this difference and its probable immediate effect upon the imperialism of the communist nations. Of course, were the situation not so serious it would be comical to hear the communist leaders condemn all others as "imperialists," and at the same time plan the conquest of the remainder of the world in the names of Marx and Lenin—all to be ruled from some central place, the Kremlin, if the Russians can arrange it. The truth is that the only imperialists left on the globe are the communists, and it would be much more appropriate for the non-communist world to be preaching the doctrine of Lenin to the effect that the imperialists will never permit peace to reign in the world until they have the peoples of the globe in the palm of their hand. The "inevitability" of war as thus expounded—would fit much more neatly into the mouths of the western leaders than in those of the communist bosses—although, may heaven forbid, that either have good ground for proclaiming any such doctrine.

Let No One Misunderstand

But let it be quite clear that what Moscow and Peiping are arguing about is not whether communists should rest from the work of world conquest, but merely whether they should go about it with rockets and artillery or by subversion and intrigue. It is well enough for Mr. Khrushchev to talk about the relative merits of the two social systems and to predict that his will win on its merits. It is plain enough that he, no more than Mao, intends to permit nature to take its course.

Digitized for FRASER
http://fraser.stlouisfed.org/

STATE OF TRADE AND INDUSTRY

Continued from page 7

1,478,000 tons. A year ago the actual weekly production was placed at 2,650,000 tons, or *165.0%.

*Index of production is based on average weekly production for 1947-49.

Auto Industry Finished Its Second Best November Output in History

The auto industry virtually wrapped up its second-best November car output in history this week as it called nearly one-half of its 49 assembly plants back to work Friday and Saturday to recoup Thanksgiving Day losses.

Ward's Automotive Reports estimated 116,016 passenger car completions this week, a 22.5% comedown from 149,753 for last week.

The statistical service said November volume may crowd 590,000 to 600,000 completions, a November total exceeded only by the peak for the month of 749,061 set in 1955.

The record in prospect comes in the face of a mixed production trend which finds five auto plants closed all of this week and eight others working only three days to adjust dealer inventories with sales.

Idled this week is the Mercury plant at Wayne, Mich., the Dodge plant in Hamtramck, Mich., and Plymouth in St. Louis, Mo., *Ward's* said. Two Mercury and four Chrysler Corp. plants also worked three days this week as did American Motors and Studebaker-Packard Corp. factories in Wisconsin and Indiana.

Ward's said November prospects are for nearly 600,000 car and 85,000 truck completions in the U. S. and 29,000 and 4,500, respectively, in Canada.

Ward's said the North American-type cars are receiving a brisk public sendoff in Canada. Canadian dealers sold 8,500 such units Nov. 1-10, for a 942-unit daily rate that was 2.7% above 917 daily in entire October when 23,900 were sold. October, the introductory month, netted 16,900 sales.

Import cars, however, are taking 28% of the total Canadian market.

Ward's said U. S. plants built their 6,000,000th car since Jan. 1 this week, widening their margin over comparable 1959 to more than 1,000,000 units.

Electric Output 2.5% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 26 was estimated at 13,500,000,000 kwh., according to the Edison Electric Institute. Output was 458,000,000 kwh. below that of the previous week's total of 14,042,000,000 kwh. but showed a gain of 327,000,000 kwh; or 2.5% above that of the comparable 1959 week.

Car Loadings Show 9.9% Decrease From 1959 Week

Loading of revenue freight for the week ended Nov. 19, 1960, totaled 567,299 cars, the Association of American Railroads announced. This was a decrease of 62,596 cars or 9.9% below the corresponding week in 1959 and a decrease of 52,455 cars or 8.5% below the corresponding week in 1958.

Loadings in the week of Nov. 19, were 2,709 cars or five-tenths of 1% above the preceding week.

There were 10,794 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Nov. 12, 1960 (which were included in that week's over-all total). This was an increase of 2,510 cars or 30.3% above the corresponding week of 1959 and 4,285 cars or 65.8% above the 1958 week.

Cumulative piggyback loadings for the first 45 weeks of 1960 totaled 484,686 for an increase of 123,509 cars or 34.2% above the corresponding period of 1959, and 246,462 cars or 103.5% 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.

Intercity Truck Tonnage 2.2% Below That of 1959 Week

Intercity truck tonnage in the week ended Nov. 19, was 2.2% below that of the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was an even 4% ahead of the volume for the previous week of this year. Part of this increase results from observance of the Veteran's Day and Election Day holidays during the preceding week, Nov. 6-12, 1960.

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

The terminal survey for last week showed increased tonnage over a year ago in 10 localities. Twenty-four points reflected decreased tonnage from the 1959 level. Jacksonville and Detroit terminals reported the largest overall gains on a year-to-year basis—up 10.3 and 9.6%, respectively. Truck terminals at five cities—Buffalo, Milwaukee, Cleveland, Cincinnati and Birmingham—showed sizable decreases from the corresponding 1959 week, all more than 10%.

Lumber Shipments Were 2.7% Below Production During Week Ended Nov. 19

Lumber shipments of 462 mills reporting to the National Lumber Trade Barometer were 2.7% below production during the week ended Nov. 19, 1960. In the same week, new orders of these mills were 8.0% below production. Unfilled orders of reporting mills amounted to 23% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 13 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 2.8% below production; new orders were 5.6% below production.

Compared with the previous (holiday) week ended Nov. 12, 1960, production of reporting mills was 0.8% above; shipments were 0.4% below; new orders were 4.1% above. Compared with the corresponding week in 1959, production of reporting mills was 19.2% below; shipments were 10.8% below and new orders were 13.5% below.

Business Failures Down in Holiday Week

Commercial and industrial failures fell to 276 in the holiday-shortened week ended Nov. 24 from 329 in the preceding week, reported Dun & Bradstreet, Inc. Despite this decline, however, casualties ran higher than a year ago when 268 occurred and exceeded noticeably the 244 in 1958. Almost 10% more businesses succumbed than in the comparable week of prewar 1939 when there were 252.

Liabilities of $5,000 or more were involved in 251 of the week's casualties as against 296 in the previous week and 236 last year. Small failures with losses under $5,000 dipped to 25 from 33 a week earlier. Thirty-six of the failing concerns had liabilities in excess of $100,000, falling from a high of 51 in the preceding week.

All industry and trade groups except manufacturing had lower tolls. Retailing casualties declined to 120 from 152, wholesaling to 24 from 32, construction to 51 from 64, and service to 21 from 30. In contrast, the toll among manufacturers mounted to 60 from 51, lifting this group's mortality considerably above its 1959 level. While retailing and service casualties edged slightly above a year ago, dips from 1959 prevailed in both wholesale trade and construction.

Failures in the East North Central States fell to 44 from 63, in the South Atlantic to 20 from 41, and in the West South Central to 13 from 25. These three regions accounted for most of the week's downturn. There was little change in other areas; the Middle Atlantic toll was up one to 90 whereas the Pacific Toil was down one to 64. Casualties equalled or exceeded last year's level in six regions. The only declines from 1959 appeared in the Middle and South Atlantic States and in the East South Central.

Thirty-six Canadian failures were reported as compared with 50 in the preceding week and 44 in the similar week a year ago.

Wholesale Food Price Index Rises To Another New High for the Year

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose for the fifth time in a row this week and hit a new high for the year. On Nov. 22 the index rose 0.5% to $6.15 from the prior 1960 high of $6.12 set a week earlier, and was the highest since the $6.15 of April 29, 1959. The current level was up 3.9% from the $5.92 of the similar date a year ago.

Moving higher in wholesale cost this week were flour, wheat, corn, oats, beef, hams, bellies, lard, coffee and steers. Lower in price were butter, sugar, cocoa, hogs and lambs.

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

Wholesale Commodity Price Index Up Fractionally From Prior Week

With higher prices on some grains, sugar, butter, steers, and lambs offsetting declines in flour, hogs, and rubber, the general commodity price level edged up fractionally in the latest week. On Nov. 28 the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 262.74 (1930-32=100), up fractionally from the 1960 low of 262.50 of a week earlier. It compared with 276.77 on the corresponding date a year ago.

Both domestic and export purchases of wheat moved up during the week helping prices rise moderately from a week earlier; wheat offerings were light. In contrast, rye prices dipped noticeably due to higher receipts and sluggish flour business.

Strengthened by increased buying and smaller receipts, corn prices advanced slightly from the prior period. Following the rise in corn, oats prices moved up somewhat with good volume and light offerings. Higher trading in soybeans and soybean oil helped soybean prices rise appreciably; export purchases were good and receipts were light.

Domestic purchases of flour lagged and prices fell somewhat from a week earlier; export buying was steady. There was a marked rise in export buying of rice, with sizable quantities sold to India, Indonesia, Pakistan, and Israel. Domestic buying of rice was sustained at a high level and prices matched those of a week earlier.

A slight increase occurred in sugar prices during the week as purchases expanded somewhat. Despite slow roaster demand and plentiful supplies, coffee prices remained unchanged from a week earlier. Cocoa prices were steady and volume was close to the preceding week.

There was a fractional increase in prices on steers and buying equalled that of the prior period. Hog prices moved slightly lower, despite active trade and little change in supplies. A moderate rise occurred in lamb prices as volume picked up in some markets.

Although there was some doubt that the crop would equal the government's Nov. 1 forecast, trading on the New York Cotton Exchange showed little change from the preceding week and prices were steady.

Retail Trade Slips Below Year Ago

Warm temperatures again discouraged early Christmas shopping and general consumer buying in most areas in the week ended this Wednesday holding over-all retail trade slightly below a year ago. The greatest declines from last year occurred in men's and women's outerwear, major appliances, and floor coverings offsetting gains in new passenger cars and food products.

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

Nationwide Department Store Sales Down 7% From 1959 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Nov. 19, 1960, show a decrease of 7% over the like period last year. In the preceding week for Nov. 12 a decrease of 2% was reported. For the four weeks ended Nov. 19 a 3% decline was reported. The Jan. 1 to Nov. 19 period showed a 3% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Nov. 19 showed a decrease of 6% over the same period last year. In the preceding week ended Nov. 12, sales were 3% above the same period last year. For the four weeks ending Nov. 19 a 1% decrease was reported over the 1959 period, and from Jan. 1 to Nov. 19 there was a gain of 5% above the level achieved in the 1959 period.

Robosonics Common Sold

Mandell & Kahn, Inc. offered on Nov. 29, 180,000 shares of the common stock of Robosonics, Inc, at a price of $5 per share.

Proceeds from the issue will be used by the company for the initiation of quantity production of the Robosonic Secretary; for a public relations, sales and merchandising program; for enlarging research and development facilities; and for patent and patent applications on a world basis.

The company is engaged in the business of developing, manufacturing and distributing electronic equipment. As the successor to Robo-Sonics Industries, Inc., it has acquired all of the latter's right, title and interest to the complete working models, and other properties affecting the use of an automatic telephone answering instrument to be marketed under the name "The Robosonic Secretary," including issued patents and patent applications which are presently filed in 15 countries.

Phila. Inv. Assn. Receives Slate

PHILADELPHIA, Pa.—Herbert S. Bengtson of Schmidt, Roberts & Parke, has been nominated for President of the Investment Association of Philadelphia. Mr. Bengtson would succeed H. Gates Lloyd III, of Drexel & Co., whose term expires.

Herbert S. Bengtson

The annual meeting and election of the Association will be held on Thursday Dec. 8, 1960, at the Mask & Wig Club, 310 South Quince St., Philadelphia.

Other officers nominated to serve for the ensuing year are: John J. F. Sherrerd of Drexel & Co., Vice-President; Harry J. Kirby, Jr., of Blyth & Co., Inc., Secretary, and Henry E. Crouter of DeHaven & Townsend, Crouter & Bodine, Treasurer.

The following were nominated for the Executive Board: Thomas W. L. Cameron of Hopper, Soliday & Co.; H. Gates Lloyd III, and Joseph L. Pyle, Jr., of Kidder, Peabody & Co., Mr. Bengtson and Mr. Sherrerd.

The nominating committee for the current election consisted of: William P. Brown of Bache & Co.; Arthur Judson II of C. C. Collings & Co., Inc.; H. Gates Lloyd III; Samuel R. Roberts of Schmidt, Roberts & Parke and Robert G. Rowe, Jr., of Paine, Webber, Jackson & Curtis.

Sulray Common Stock Marketed

Sulray, Inc. offered on Dec. 1, 100,000 shares of common stock at $3 per share through J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., both of New York.

The net proceeds, after deducting expenses, will be approximately $235,000 which will be added to the cash funds of the company to be available for general corporate purposes, including needed additional working capital. To the extent now known, the use of such net proceeds, in priority of application, will be as follows:

For additional advertising, promotion and distribution of the company's present products, $100,000; for new product development (particularly "Dermagene") $75,000; and the balance for addition to working capital for inventory.

The company was incorporated under the laws of the State of New York on Sept. 1, 1944 as National Healthaids, Inc., which changed its name to Sulray, Inc. on Jan. 22, 1960. The company's offices are located at 273 Columbus Ave., Tuckahoe, N. Y. Sulray, is principally engaged in the business of marketing a line of proprietary medicated skin conditioners and other proprietary drug specialties under its own brand names manufactured for it to its own specifications and formulas by others.

Three With Thomas Jay

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Mark F. Cote, Willard H. Lee and Leo R. Simon have become associated with Thomas Jay, Winston & Co., Inc., 9235 Wilshire Blvd., members of the Pacific Coast Stock Exchange. Mr. Cote was formerly with Binder & Co. and Lester, Ryons & Co. Mr. Lee was with Hayden, Stone & Co. and prior thereto was Beverly Hills manager for Binder & Co.

Digitized for FRASER
http://fraser.stlouisfed.org/

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:

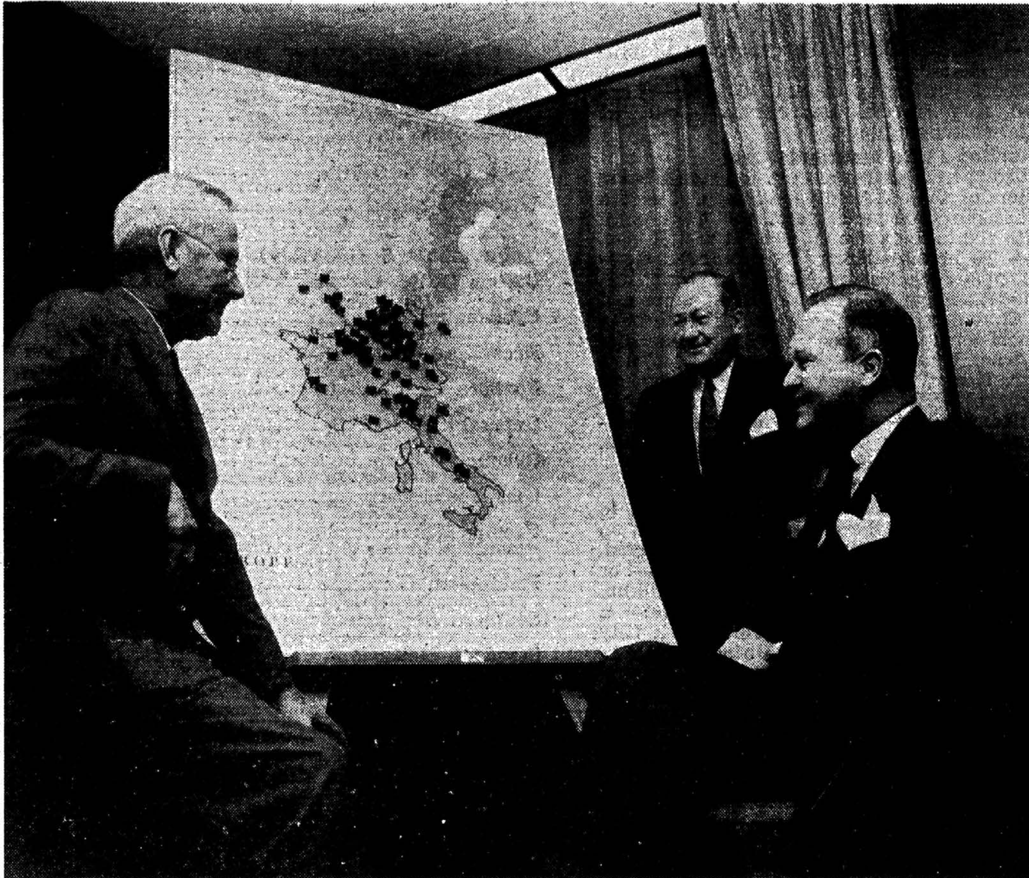
		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Dec. 3	§49.3	*49.0	51.9	93.:
Equivalent to—					
Steel ingots and castings (net tons)	Dec. 3	§1,404,000	*1,367,000	1,478,000	2,650,00
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 18	6,968,160	6,955,310	6,771,010	6,934,575
Crude runs to stills—daily average (bbls.)	Nov. 18	¶7,987,000	7,717,000	7,947,000	8,017,000
Gasoline output (bbls.)	Nov. 18	28,205,000	27,051,000	28,301,000	28,816,000
Kerosene output (bbls.)	Nov. 18	3,269,000	2,836,000	2,919,000	2,213,000
Distillate fuel oil output (bbls.)	Nov. 18	13,138,000	12,718,000	12,728,000	12,561,000
Residual fuel oil output (bbls.)	Nov. 18	6,038,000	5,393,000	5,408,000	6,735,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Nov. 18	184,671,000	183,062,000	187,002,000	177,260,000
Kerosene (bbls.) at	Nov. 18	36,833,000	36,229,000	36,807,000	31,970,00
Distillate fuel oil (bbls.) at	Nov. 18	175,327,000	179,154,000	177,632,000	174,571,00
Residual fuel oil (bbls.) at	Nov. 18	47,963,000	48,724,000	50,929,000	56,292,00
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Nov. 19	567,299	564,590	637,311	629,895
Revenue freight received from connections (no. of cars)	Nov. 19	494,099	*496,651	527,670	542,67
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 24	$613,400,000	$473,600,000	$348,100,000	$389,800,00
Private construction	Nov. 24	365,300,000	219,300,000	182,600,000	187,800,00
Public construction	Nov. 24	248,100,000	254,300,000	165,500,000	202,000,00
State and municipal	Nov. 24	153,200,000	203,500,000	143,900,000	160,800,00
Federal	Nov. 24	94,900,000	50,800,000	21,600,000	41,200,00
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Nov. 19	7,980,000	*7,320,000	8,535,000	9,602,00
Pennsylvania anthracite (tons)	Nov. 19	377,000	383,000	362,000	409,00
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Nov. 19	169	163	157	182
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Nov. 26	13,500,000	14,042,000	13,883,000	13,173,00
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 24	276	329	331	268
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 22	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 22	$66.32	$66.32	$66.41	$66.41
Scrap steel (per gross ton)	Nov. 22	$28.33	$28.33	$29.50	$44.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Nov. 23	29.600c	29.600c	29.600c	34.675c
Export refinery at	Nov. 23	27.900c	27.625c	26.875c	31.575c
Lead (New York) at	Nov. 23	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Nov. 23	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Nov. 23	13.500c	13.500c	13.500c	13.000c
Zinc (East St. Louis) at	Nov. 23	13.000c	13.000c	13.000c	12.500c
Aluminum (primary pig, 99.5%) at	Nov. 23	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Nov. 23	102.750c	102.625c	103.250c	101.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Nov. 29	86.11	86.54	88.04	82.44
Average corporate	Nov. 29	86.78	86.78	86.78	84.30
Aaa	Nov. 29	91.34	91.34	91.62	88.13
Aa	Nov. 29	88.95	88.95	89.23	86.38
A	Nov. 29	82.24	86.11	86.24	84.04
Baa	Nov. 29	81.05	81.29	80.81	79.25
Railroad Group	Nov. 29	84.04	84.17	83.79	82.27
Public Utilities Group	Nov. 29	87.86	87.99	87.99	84.55
Industrials Group	Nov. 29	88.27	88.40	88.81	86.38
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Nov. 29	3.99	3.93	3.76	4.30
Average corporate	Nov. 29	4.65	4.65	4.65	4.84
Aaa	Nov. 29	4.32	4.32	4.30	4.55
Aa	Nov. 29	4.49	4.49	4.47	4.68
A	Nov. 29	4.69	4.70	4.69	4.86
Baa	Nov. 29	5.10	5.08	5.12	5.25
Railroad Group	Nov. 29	4.86	4.85	4.88	5.00
Public Utilities Group	Nov. 29	4.57	4.56	4.56	4.82
Industrials Group	Nov. 29	4.54	4.53	4.50	4.68
MOODY'S COMMODITY INDEX	Nov. 29	355.8	355.0	355.5	378.7
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Nov. 19	283,461	272,216	320,748	296,03
Production (tons)	Nov. 19	309,245	325,226	327,941	323,3
Percentage of activity	Nov. 19	89	92	93	9
Unfilled orders (tons) at end of period	Nov. 19	393,601	415,674	435,919	469,64
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Nov. 25	108.60	108.57	109.99	111.6
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Nov. 4	2,010,170	2,331,060	1,846,760	2,129,65
Short Sales	Nov. 4	426,140	397,490	353,910	376,71
Other sales	Nov. 4	1,624,670	1,923,640	1,614,830	1,768,11
Total sales	Nov. 4	2,050,810	2,321,130	1,968,740	2,144,82
Other transactions initiated off the floor—					
Total purchases	Nov. 4	257,340	322,370	275,590	452,06
Short Sales	Nov. 4	32,000	36,600	33,300	90,60
Other sales	Nov. 4	241,740	267,300	282,200	338,84
Total sales	Nov. 4	273,740	303,900	315,540	429,44
Other transactions initiated on the floor—					
Total purchases	Nov. 4	688,970	805,753	606,580	752,220
Short Sales	Nov. 4	139,410	138,960	111,720	97,28
Other sales	Nov. 4	519,497	563,266	475,371	659,58
Total sales	Nov. 4	658,907	702,226	587,091	756,86
Total round-lot transactions for account of members—					
Total purchases	Nov. 4	2,956,480	3,459,183	2,728,930	3,333,930
Short Sales	Nov. 4	597,550	573,050	498,930	564,590
Other sales	Nov. 4	2,385,907	2,754,206	2,372,441	2,766,53
Total sales	Nov. 4	2,983,457	3,327,256	2,871,371	3,331,127
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	Nov. 4	1,432,734	1,640,865	1,432,489	1,581,506
Dollar value	Nov. 4	$64,438,473	$77,819,481	$66,212,925	$81,961,393
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Nov. 4	1,283,326	1,508,866	1,125,784	1,338,194
Customers' short sales	Nov. 4	25,638	36,900	20,955	11,573
Customers' other sales	Nov. 4	1,257,688	1,471,966	1,104,829	1,326,621
Dollar value	Nov. 4	$57,868,032	$70,913,234	$52,048,948	$66,807,859
Round-lot sales by dealers—					
Number of shares—Total sales	Nov. 4	381,220	459,720	286,150	357,300
Short Sales	Nov. 4				
Other sales	Nov. 4	381,220	459,720	286,150	357,300
Round-lot purchases by dealers—Number of shares	Nov. 4	526,670	587,010	575,950	561,280
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	Nov. 4	853,050	927,840	690,350	676,940
Other sales	Nov. 4	13,134,680	15,521,940	12,147,820	13,717,460
Total sales	Nov. 4	13,987,730	16,449,780	12,838,170	14,394,400
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Nov. 22	119.7	119.6	119.0	119.0
Farm products	Nov. 22	90.4	89.7	87.8	85.9
Processed foods	Nov. 22	108.9	109.0	108.0	105.1
Meats	Nov. 22	96.4	96.2	94.3	89.1
All commodities other than farm and foods	Nov. 22	127.9	*128.0	127.6	128.1

*Revised figure. ¶Includes 965,000 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
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of October (000's omitted)	$233,110,000	*$241,799,000	$230,245,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of Oct. 31:			
Imports	$405,132,000	$408,851,000	$304,460,000
Exports	632,958,000	632,059,000	200,151,000
Domestic shipments	14,400,000	15,205,000	25,023,000
Domestic warehouse credits	142,599,000	91,649,000	55,748,000
Dollar exchange	138,760,000	122,810,000	35,750,000
Based on goods stored and shipped between foreign countries	419,386,000	397,789,000	233,932,000
Total	$1,753,235,000	$1,668,363,000	$845,072,000
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of October: (000's omitted)	$921,500	$1,965,500	$878,500
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—As of Oct. 31 (000's omitted)	$1,365,000	$1,263,000	$755,000
COTTON GINNING (DEPT. OF COMMERCE):			
To November 1	8,423,736		9,713,919
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—Crop as of Nov. 1 (in thousands):			
Corn, all (bushels)	4,378,724	4,258,511	4,361,170
Wheat, all (bushels)	1,368,233	1,368,233	1,128,151
Winter (bushels)	1,116,610	1,116,610	923,449
All spring (bushels)	251,623	251,623	204,702
Durum (bushels)	36,155	36,155	20,682
Other spring (bushels)	215,468	215,468	184,020
Oats (bushels)	1,178,085	1,178,085	1,073,982
Barley (bushels)	414,922	414,922	420,191
Rye (bushels)	31,084	31,084	21,495
Flaxseed (bushels)	30,588	30,588	22,709
Rice (100 pound bags)	54,218	53,363	53,122
Sorghum grain (bushels)	617,515	602,542	579,178
Cotton (bales)	14,298	14,553	14,558
Hay, all (tons)	118,749	118,749	112,764
Hay, wild (tons)	10,564	10,564	8,911
Hay, alfalfa (tons)	68,311	68,311	64,739
Hay, clover and timothy (tons)	22,869	22,869	22,128
Hay, lespedeza (tons)	4,113	4,113	4,377
Beans, dry edible (cleaned) (100 lb. bags)	17,881	17,857	18,212
Peas, dry field (cleaned) (100 lb. bags)	2,732	2,732	4,375
Soybeans for beans (bushels)	560,039	561,932	537,895
Peanuts (pounds)	1,766,075	1,732,125	1,592,295
Potatoes:			
Winter (cwt.)	3,114	3,114	4,005
Early spring (cwt.)	3,287	3,287	3,144
Late spring (cwt.)	28,212	28,212	23,558
Early summer (cwt.)	15,091	15,091	14,277
Late summer (cwt.)	32,581	32,581	33,519
Fall (cwt.)	171,499	170,918	164,778
Total (cwt.)	253,784	253,203	243,281
Sweetpotatoes (cwt.)	15,519	15,161	18,703
Tobacco (pounds)	1,951,582	1,934,766	1,797,087
Sugarcane for sugar and seed (tons)	7,887	8,173	7,318
Sugar beets (tons)	16,576	16,727	17,015
Broomcorn (tons)	20	20	31
Hops (pounds)	46,347	46,347	53,600
Apples, commercial crop (bushels)	107,370	121,787	112,456
Peaches (bushels)	74,723	74,239	62,528
Pears (bushels)	26,408	30,191	29,941
Grapes (tons)	3,020	3,139	2,886
Cherries (tons)	196	215	222
Apricots (tons)	237	230	195
Cranberries (barrels)	1,344	1,237	939
Pecans (pounds)	179,200	143,500	150,062
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of October:			
All manufacturing (production workers)	12,254,000	*12,395,000	12,206,000
Durable goods	6,909,000	*6,947,000	6,786,000
Nondurable goods	5,345,000	*5,448,000	5,415,000
Employment indexes (1947-49 Avg.=100)—All manufacturing	97.7	*98.5	98.3
Payroll indexes (1947-49 Average = 100)—All manufacturing	171.2	*172.0	165.9
Estimated number of employees in manufacturing industries—			
All manufacturing	16,330,000	*16,491,000	16,197,000
Durable goods	9,345,000	*9,396,000	9,168,000
Nondurable goods	6,985,000	*7,095,000	7,029,000
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49 = 100—Month of Oct.:			
Seasonally adjusted	107	107	102
Unadjusted	110	108	105
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of August:			
Net railway operating income	44,386,802	23,984,149	39,826,677
Total income	25,478,865	25,055,789	25,410,631
Total income	69,865,667	49,039,938	65,237,308
Miscellaneous deductions from income	4,403,096	4,040,352	4,438,272
Income available for fixed charges	65,462,571	44,999,586	60,799,036
Total fixed charges	31,339,785	31,372,559	31,351,648
Income after fixed charges	34,122,786	13,627,027	29,447,388
Other deductions	4,188,217	4,044,124	4,282,461
Net income	29,934,569	9,582,903	25,164,927
Depreciation (way & structure & equipment)	52,563,334	52,534,278	51,231,540
Federal income taxes	16,632,199	7,539,276	10,424,591
Dividend appropriations:			
On common stock	18,446,301	27,314,746	28,136,873
On preferred stock	2,547,586	303,006	3,257,959
Ratio of income to fixed charges	2.09	1.43	1.94
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES)—Month of Sept. (in long tons):			
Stocks in beginning of period	30,245	31,105	33,370
Receipts	7,890	6,345	7,730
Supply	38,135	37,450	41,100
Stocks at end of period	31,995	30,245	36,125
Total processed	6,140	7,205	4,975
Intercompany scrap transactions	110	210	150
Consumed in manufacturing	6,030	6,995	4,825
Primary	3,760	4,635	2,150
‡Secondary	2,270	2,360	2,675
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of October:			
Net sales			
Net purchases	$25,546,300	$3,432,300	$41,081,000
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of Sept. (000's omitted):			
Exports	$1,610,100	$1,612,700	$1,479,100
Imports	1,160,300	1,228,100	1,392,100

Digitized for FRASER
http://fraser.stlouisfed.org/

Eurofund Inc., Elects New President



S. Sloan Colt, left, Chairman of the Board of Eurofund, Inc., has announced the election of Hunter S. Marston, Jr., right to the office of President of the investment company, which seeks capital appreciation through a diversified portfolio of European securities. He succeeds J. Russell Forgan, center, Senior Partner of Glore, Forgan & Co., who will continue to serve as a Director of Eurofund and as a member of the company's Executive Committee. Flagged on the map are the locations of 88 companies in which Eurofund has invested.

Mr. Marston has retired as a General Partner of Glore, Forgan, a position he has held since 1953. He is a Director of Servel, Inc. and Interstate Hosts, Inc. Mr. Marston resides in Greenwich, Conn.

Private Money for Public Enterprise

Closing ceremony for $50,000,000 Tennessee Valley Authority Series A power bonds took place when investment representatives handed check to Aubrey J. Wagner, (seated left) General Manager of TVA. John J. Ward, Assistant Vice-President of The Chase Manhattan Bank is shown making payment at offices of Bankers Trust Company, Trustee of the Authority. Looking on (left to right) are Brian P. Leeb, Senior Vice-President, Bankers Trust Company, Paul F. Clarke, partner of Lehman Brothers, financial advisors to TVA, and G. O. Wessenauer, TVA Manager of Power. The bonds were sold publicly by a nationwide group of banks jointly managed by The Chase Manhattan Bank, Morgan Guaranty Trust Co. of New York, Chemical Bank New York Trust Co., C. J. Devine & Co. and The Northern Trust Company.

NASD Districts Nominating Group

Nominating committees have been selected in each of the 13 districts of the National Association of Securities Dealers to submit slates for new members to the association's board of governors and to the district committees. Following are the committees appointed for each of the districts:

District #1 (Alaska, Idaho, Montana, North Dakota, Oregon, South Dakota and Washington), Chairman: William J. Collins, Collins & Co., Portland. Members: Richard H. Martin, Pacific Northwest Co., Portland; George R. Yancey, Murphey Favre, Inc., Spokane; Hugh R. Schlicting, Wm. P. Harper & Son & Company, Seattle; and Jack E. Jones, Blanchett, Hinton & Jones, Inc., Seattle.

District #2 (California, Nevada and Hawaii) Chairman: Mark C. Elworthy, Elworthy & Co., San Francisco. Co-Chairman: Jo M. French, Blyth & Co., Inc., Los Angeles. Members: Richard Lawson, Lawson, Levy, Williams & Stern, San Francisco; Robert F. Mulvany, Irving Lundborg & Co., San Francisco; and Ralph E. Phillips, Jr., Dean Witter & Co., Los Angeles.

District #3 (Arizona, Colorado, New Mexico, Utah and Wyoming) Chairman: Bernard F. Kennedy, Bosworth, Sullivan & Co., Denver; Members: Robert L. Mitton, Robert L. Mitton Investments, Denver; Edward Hanifen, Hanifen, Imhoff & Sanford, Inc., Denver; Orville Neely, Merrill Lynch, Pierce, Fenner & Smith Inc., Denver; and John Haggerty, Lowell-Murphy & Co., Denver.

District #4 (Kansas, Missouri, Nebraska and Oklahoma) Chairman: Donald A. Seltsam, Seltsam, Hanni & Co., Inc., Topeka. Members: Hayward H. Hunter, George K. Baum & Company, Kansas City; Mel M. Taylor, Semple, Jacobs & Co., Inc., St. Louis; William B. Cochran, Milburn, Cochran & Company, Oklahoma City; and James H. Ellis, Ellis, Holyoke & Co., Lincoln.

District #5 (Alabama, Arkansas, Louisiana, Mississippi and part of Tennessee) Chairman: Ogden Shropshire, Shropshire, Frazer and Co., Mobile. Members: Joseph P. Minetree, Steiner, Rouse and Co., New Orleans; Edward S. Lewis, III, Lewis and Co., Jackson; George H. Nusloch, Nusloch, Baudean and Smith, New Orleans; and Harold B. Mayes, Hendrix and Mayes Inc., Birmingham.

District #6 (Texas) Members: Charles C. Pierce, Rauscher, Pierce & Co., Inc., Dallas; Robert M. Ayres, Jr., Russ & Company, Inc., San Antonio; W. Lewis Hart, Funk, Hobbs & Hart, Inc., San Antonio; H. Ward Beebe, Beebe, Guthrie & LaValle, Houston; and J. Bryan Grubbs, Merrill Lynch, Pierce, Fenner & Smith Inc., Houston.

District #7 (Florida, Georgia, South Carolina and part of Tennessee) Chairman: Alexander Yearley IV, The Robinson-Humphrey Co., Inc., Atlanta. Members: Hugh D. Carter, Jr., Courts & Co., Atlanta; Malcolm M. Manning, V. M. Manning & Co., Inc., Greenville; Einer Nielsen, J. C. Bradford & Company, Nashville; and Edward B. Wulbern, The Pierce, Carrison, Wulbern Corp., Jacksonville.

District #8 (Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin) Chairman: L. Raymond Billett, McCormick & Co., Chicago. Members: Robert H. O'Keef, The Marshall Company, Milwaukee; Lawrence B. Woodard, Woodard-Elwood & Co., Minneapolis; Charles A. Parcells, Jr., Charles A. Parcells & Co., Detroit; and Charles R. Perrigo, Hornblower & Weeks, Chicago.

District #9 (States of Kentucky and Ohio) Members: E. W. Battin, The Ohio Company, Columbus; Dale F. Linch, Berwyn T. Moore & Co., Inc., Louisville; W. R. Hunter, Hunter, Prugh, Ball & Davidson, Inc., Dayton; John S. Watterson, Jr., Paine, Webber, Jackson & Curtis, Cleveland; and Jack R. Staples, Fulton, Reid & Co., Inc., Cleveland.

District #10 (The District of Columbia, Maryland, North Carolina and Virginia) Chairman: Harvey B. Gram, Jr., Johnston, Lemon & Co., Washington. Members: Edward J. Armstrong, Stein Bros. & Boyce, Baltimore; Joseph J. Muldowney, Scott & Stringfellow, Richmond; W. Olin Nisbet, Jr., Interstate Securities Corporation, Charlotte; and Millard F. West, Jr., Auchincloss, Parker & Redpath, Washington.

District #11 (Delaware, Pennsylvania, West Virginia and part of New Jersey) Chairman: Frederic P. Mullins, A. E. Masten & Company, Pittsburgh. Members: L. Paul Close, Rambo, Close & Kerner, Incorporated, Philadelphia; Arthur F. Humphrey, Jr., Hulme, Applegate & Humphrey, Inc. Pittsburgh; H. Sheldon Parker, Kay Richards & Co., Pittsburgh; and William H. P. Townsend, E. W. Clark & Co., Philadelphia.

District #12 (Connecticut, New York and part of New Jersey) Chairman: Allen J. Nix, Riter & Co. Members: T. Jerrold Bryce, Clark, Dodge & Co.; Ernest W. Borkland, Jr., Tucker, Anthony & R. L. Day; Albert C. Purkiss, Walston & Co.; and Orland K. Zeugner, Stone & Webster Securities Corp.; (all of New York City.)

District #13 (Maine, Massachusetts, New Hampshire, Rhode Island and Vermont) Chairman: James H. Goddard, J. H. Goddard & Co., Inc. Members: Gilbert M. Mears, G. H. Walker & Co.; Frederick H. Foster, Lee Higginson Corp.; Albert W. Tweedy, H. C. Wainwright & Co.; and Irving E. Gunn, Townsend, Dabney & Tyson; (all of Boston.)

Electro-Science Acquires Interest

Electro-Science Investors, Inc. today (Dec. 1) announced the purchase of $139,000 of 5% convertible debentures and common stock of Rawco Instruments Inc.

Also committed was $300,000 for the purchase of additional 5% convertible debentures for Rawco's use in its future development.

ESI recently registered as one of the nation's largest Federally licensed small business investment companies, with assets in excess of $14,000,000. Its offices are located at 727 South Central Expressway, Richardson, Texas.

Epps Industries Stock Marketed

California Investors, Los Angeles, Calif., publicly offered on Nov. 30, 100,000 shares of Epps Industries, Inc. $1 par common stock at $3 per share.

The company which is located at 2332 E. 38 St., Los Angeles, Calif., is engaged in distributing and processing strip steel, pickling and treating steel, and manufacturing round and square electric welded steel tubing.

Of the net proceeds, outstanding bank loans and notes will be repayed, and the balance will be used for working capital and other general corporate purposes, including the installation of an additional tube mill.

Draper, Sears Branch

HYANNIS, Mass.—Draper, Sears & Co. has opened a branch office at 63 North Street Extension under the management of Harold R. Baird.

Digitized for FRASER
http://fraser.stlouisfed.org/

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. **Underwriter**—To be supplied by amendment.

Adler Built Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For acquisition and development of land and operating capital. **Office**—1201 W. 66th St., Hialeah, Fla. **Underwriter** — American Diversified Securities, Inc., Washington, D. C.

★ Admiral Benbow Inn, Inc.
Nov. 21, 1960 (letter of notification) a maximum of 44,440 shares of common stock (no par) not to exceed $300,000 to be offered for subscription by holders of common stock on the basis of one new share for each five shares held. **Price**—At-the-market, and a minimum of $6.25 per share. **Proceeds** — For working capital. **Office** — 29 S. Bellevue Boulevard, Memphis, Tenn. **Underwriter** — James N. Reddoch & Co., Memphis, Tenn.

● Aircraft Armaments, Inc.
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). **Offering**—Indefinitely postponed.

● All American Engineering Co.
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each four shares held with rights to expire on Dec. 7. **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). **Offering**—Expected in January.

Allen, McFarland & Co.
Sept. 8, 1960 (letter of notification) 120,000 shares of common stock (par 10 cents) and 30,000 shares of common stock (par 10 cents). **Price**—Of 120,000 shares, $2 per share; of 30,000 shares, 75 cents per share. **Proceeds** —To maintain markets in selected securities and for working capital. **Office** — 1120 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Allen, McFarland & Co. **Offering**—Expected in early January.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter** —Rauscher, Pierce & Co., Inc., Dallas. **Note** — This offering has been postponed.

● Alloys Unlimited, Inc. (12/15)
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.

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. (12/15)
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).

● American Heritage Life Insurance Co.
Oct. 24, 1960 filed 354,157 shares of common stock, being offered to holders of the outstanding common of record Dec. on the basis of one new share for each eight shares held with rights to expire on Dec. 14 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. Statement effective Nov. 9.

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. **Offering**—Imminent.

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.

● Americana Properties, Inc. (12/28)
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.

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.

★ Anelex Corp.
Nov. 25, 1960 filed 65,000 shares of common stock, of which 55,000 are subject to purchase on exercise of warrants and 10,000 were issued to Putnam & Co., Hartford, Conn. **Price**—The 55,000 shares are issuable on exercise of warrants at from $16 to $17.50 a share. The 10,000 shares are owned by Anderson-Nichols & Co., and are subject to purchase under options by three individuals at $7.50 a share. **Business**—The design, development and manufacture of high speed printers and high speed paper tape readers for use with computers and electronic data processing systems. **Proceeds**—To working capital. **Office** — 150 Causeway St., Boston, Mass. **Underwriter**—None.

● Andersen Laboratories, Inc. (12/6)
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. (12/15)
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 invest-

Continued on page 33

NEW ISSUE CALENDAR

December 2 (Friday)
Dial-A-Disk, Inc. ---------- Common
(McClane & Co., Inc.) $300,000
Webb (Del E.) Corp. ---------- Units
(Lehman Brothers) 160,000
Western Utilities Corp. ---------- Debentures
(Dean Witter & Co.) $2,750,000

December 5 (Monday)
Baruch (R.) & Co. ---------- Common
(R. Baruch & Co.) $200,000
Cyclomatics Inc. ---------- Common
(General Securities Co. $250,000
Does-More Products Corp. ---------- Common
(H. L. Wright & Co., Inc.) $300,000
Foxboro Co. ---------- Common
(Paine, Webber, Jackson & Curtis) 211,000 shares
General Sales Corp. ---------- Common
(A. J. Gabriel & Co., Inc.) 120,000 shares
Geophysics Corp. of America ---------- Common
(C. E. Unterberg, Towbin Co.) 50,000 shares
Glas Foam Corp. ---------- Common
(Martinelli & Co., Inc.) $300,000
Gremar Manufacturing Co., Inc. ---------- Common
(Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc.) 100,000 shares
Paddington Corp. ---------- Common
(Lee Higginson Corp. and H. Hentz & Co.) 36,498 shares
Southern Bell Telephone & Telegraph Co. ---------- Debs.
(Bids 11:30 a.m. EST)
Standard Instrument Corp. ---------- Common
(Havener Securities Corp.) 50,000 shares
Swingline, Inc. ---------- Class A Stock
(Paine, Webber, Jackson & Curtis) 250,000 shares
Tech Laboratories, Inc. ---------- Common
(Carroll Co. and Dewey, Johnson & Co.) $252,000
Vector Industries, Inc. ---------- Common
(Plymouth Securities Corp.) $300,000

December 6 (Tuesday)
Andersen Laboratories, Inc. ---------- Common
(Putnam & Co.) 150,000 shares
Beneficial Finance Co. ---------- Debentures
(Eastman Dillon, Union Securities & Co.) $50,000,000
Cook Coffee Co. ---------- Common
(Goldman, Sachs & Co.) 100,000 shares
Globe Security Systems, Inc. ---------- Common
(Drexel & Co.) 100,000 shares
Iowa Power & Light Co. ---------- Common
(Bids 2:30 p.m. CST) 100,000 shares
Northern States Power Co. (Minn.) ---------- Bonds
(Bids 10:00 a.m. CST)
Vacudyne Associates, Inc. ---------- Common
(Kenneth Kass; H. S. Simmons & Co., Inc. and B. N. Rubin & Co.) $200,000

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
Loral Electronics Corp. ---------- Debentures
(Kidder, Peabody & Co.; Lehman Brothers and Model, Roland & Stone) $5,000,000
Potomac Electric Power Co. ---------- Bonds
(Bids to be received) $40,000,000
Standard Pressed Steel Co. ---------- Common
(Kidder, Peabody & Co.) 112,760 shares
Victor Paint Co. ---------- Common
(Charles Plohn & Co.) 130,000 shares

December 8 (Thursday)
Brooks (James) & Co. Inc. ---------- Units
(Lloyd Haas & Co.) $450,000)
Industrial Hose & Rubber Co., Inc. ---------- Common
(Schrijver & Co.) $500,000
Koeller Air Products, Inc. ---------- Units
(Lloyd Securities) $200,000
Living Aluminum, Inc. ---------- Common
(Arnold Malkan & Co., Inc. and Sulco Securities, Inc.) $300,000
Long Island Plastics Corp. ---------- Common
(The James Co.) $300,000

December 12 (Monday)
Brothers Chemical Co. ---------- Common
(Sandkuhl & Company, Inc.) $300,000
Chemtronic Corp. ---------- Common
(Jay W. Kaufman & Co.) $400,000
Consumers Power Co. ---------- Bonds
(Bids 11:30 a.m. EST) $35,000,000
Frisch's Restaurants, Inc. ---------- Common
(Westheimer & Co.) 180,000 shares
Garsite Corp. ---------- Common
(Theodore Arrin & Co., Inc.) $300,000
Madigan Electronic Corp. ---------- Common
(McLaughlin, Kaufman & Co.) $467,500
New Canaan Co. ---------- Units
(Gidden, Morris & Co., Inc.) $202,000
Pall Corp. ---------- Class A
(L. F. Rothschild & Co.) 80,000 shares
Patrician Paper Co., Inc. ---------- Units
(Hill, Darlington & Grimm) 100,000 units
Penobscot Chemical Fibre Co. ---------- Debentures
(Coffin & Burr, Inc.) $3,250,000
Resisto Chemical, Inc. ---------- Common
(Amos Treat & Co., Inc.) $500,000
Russ Togs, Inc. ---------- Class A Stock
(Shearson, Hammill & Co.) 150,000 shares
Standard & Shell Homes Corp. ---------- Units
(Aetna Securities Corp.; D. Gleich Co. and Roman & Johnson) 35,000 units
Tele-Tronics Co. ---------- Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000
Telephone & Electronics Corp. ---------- Common
(Equity Securities Co.) $264,900
United International Fund Ltd. ---------- Common
(Kidder, Peabody & Co.; Bache & Co. and Francis I. du Pont & Co.) $12,500,000
United States Shell Homes, Inc. ---------- Units
(Hayden, Stone & Co.) 25,000 units

Digitized for FRASER
http://fraser.stlouisfed.org/

Willer Color Television System, Inc.______Common
(Equity Securities Co.) $242,670
Winn-Dixie Stores, Inc.______Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 406,000 shares

December 13 (Tuesday)

Louisville & Nashville RR.______Equip. Trust Ctfs.
(Bids to be received) $7,755,000
Public Service Electric & Gas Co.______Preferred
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $25,000,000
Still-Man Manufacturing Corp.______Class A
(Francis I. duPont & Co.) 150,000 shares

December 14 (Wednesday)

Designatronics, Inc.______Common
(Cortland Investing Corp.; Rothenberg, Heller & Co. and Joseph Nadler & Co., Inc.) $225,000

December 15 (Thursday)

Alloys Unlimited, Inc.______Common
(Newburger, Loeb & Co. and C. E. Unterberg, Towbin Co.) 135,000 shares
American Cryogenics, Inc.______Common
(Courts & Co.) 150,000 shares
Apache Corp.______Debentures
(Paine, Webber, Jackson & Curtis, and Piper, Jaffray & Hopwood) $4,000,000
Arway Manufacturing Corp.______Common
(Stern, Zeiff & Co., Inc.) $240,000
Carolina Metal Products Corp.______Common
(Arnold, Wilkens & Co.) $500,000
Coral Aggregates Corp.______Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000
Marsh Supermarkets, Inc.______Debentures
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $2,000,000
Mohawk Insurance Co.______Common
(R. F. Dowd & Co., Inc.) $900,000
Mortgage Guaranty Insurance Corp.______Common
(Bache & Co.) 155,000 shares
Preferred Risk Life Assurance Co.______Common
(Preferred Investments, Inc.) $1,500,000
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
Westminster Fund, Inc.______Capital
(Kidder, Peabody & Co.) 4,000,000 shares

December 19 (Monday)

Bowl-Mor Co., Inc.______Debentures
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) $2,000,000
Bowl-Mor Co., Inc.______Common
(Offering to stockholders—Underwritten by Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) 78,955 shares
Cove Vitamin & Pharmaceutical Inc.______Units
(Hill, Thompson & Co., Inc.) 54,000 units
Revlon, Inc.______Common
(Lehman Brothers and Reynolds & Co., Inc.) 130,000 shares
Ritter Co., Inc.______Debentures
(Lehman Brothers) $4,500,000

December 20 (Tuesday)

Canaveral International Corp.______Common
(S. Schramm & Co., Inc.) 300,000 shares
Chematomics, Inc.______Common
(East Coast Investors Co.) $564,900
South Central Natural Gas Corp.______Common
(Willis E. Burnside & Co., Inc.) $750,000
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 21 (Wednesday)

California-Pacific Utilities Co.______Common
(Eastman Dillon, Union Securities & Co.) 57,986 shares)
Geotechnics & Resources, Inc.______Capital
(S. D. Fuller & Co.) $299,600

December 23 (Friday)

International Mosaic Corp.______Common
(B. G. Harris & Co., Inc.) $279,999

December 27 (Tuesday)

Palm Developers Limited______Common
(David Barnes & Co., Inc.) $300,000

December 28 (Wednesday)

Americana Properties, Inc.______Common
(Plymouth Securities Corp.) $600,000

December 30 (Friday)

Circle Controls Corp.______Common
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000

Midland-Guardian Co.______Common
(Kidder, Peabody & Co.) 100,000 shares

January 4 (Wednesday)

National Aeronautical Corp.______Common
(White, Weld & Co.; Yarnall, Biddle & Co. and Stroud & Co., Inc.) 60,000 shares
Southwest Gas Corp.______Common
(Eastman Dillon, Union Securities & Co.) 150,000 shares

January 5 (Thursday)

Radar Measurements Corp.______Common
(Blaha & Co., Inc.) $299,950

January 9 (Monday)

Bell Electronic Corp.______Common
(Schwabacher & Co.) 136,000 shares

January 10 (Tuesday)

Pocket Books, Inc.______Common
(White, Weld & Co. and Goldman Sachs & Co. 600,000 shares

January 11 (Wednesday)

Iowa Power & Light Co.______Bonds
(Bids 10:00 a.m. CST) $10,000,000

January 17 (Tuesday)

Kansas Gas & Electric Co.______Bonds
(Bids 11:00 a.m. EST) $7,000,000
Gulf States Utilities Co.______Common
(Bids to be received) $11,500,000

January 23 (Monday)

General Bowling Corp.______Common
(H. S. Simmons & Co., Inc. and McMahon, Lichtenfeld & Co.) $1,000,000

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

Continued from page 32

ments 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**—Paine, Webber, Jackson & Curtis, New York City and Piper, Jaffray & Hopwood, Minneapolis, Minn.

● Arway Manufacturing Corp. (12/15)
Nov. 15, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2 per share. **Business** — Manufacturers of plastic table cloths, mats, and trays. **Proceeds**—For general corporate purposes. **Office** — 1041 Utica Avenue, Brooklyn, N. Y. **Underwriter**—Stern, Zeiff & Co., Inc., New York, N. Y.

● Associated Oil & Gas Co.
Nov. 23, 1960 filed 107,317 shares of outstanding capital stock. **Price**—At the market. **Business**—The acquisition, exploration and production of oil and gas. **Proceeds**—To selling stockholders. **Office**—1410 Bank of the Southwest Bldg., Houston, Texas. **Underwriter**—None.

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.

Avery Adhesive Products, Inc.
Nov. 18, 1960 filed 250,000 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the company, and 150,000 outstanding shares are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture of pressure-sensitive labels. **Proceeds**—Approximately $1,080,000 will be used to redeem the outstanding 5% preferred stock, and the balance will be for working capital. **Office**—2450 Huntington Drive, San Marino, Calif. **Underwriters**—Kidder, Peabody & Co., New York City, and Wagenseller & Durst, Inc., Los Angeles, Calif. **Offering**—Expected in early January.

★ Avery Oil Co.
Nov. 21, 1960 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—409 Colonial Drive, Monroeville, Pa. **Underwriter**—None.

● 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**—Temporarily postponed.

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. (12/5-9)
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. (12/6)
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).

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, Oreg.

★ Bowling & Construction Corp.
Nov. 28, 1960 filed 120,000 shares of class A common stock. **Price**—$5 per share. **Business**—The building, leasing and operation of bowling centers. **Proceeds** — For working capital. **Office**—26 Broadway, New York, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., New York City (managing).

● Bowl-Mor Co., Inc. (12/19)
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).

● Bowl-Mor Co., Inc. (12/19)
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).

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 December.

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. (12/12)
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriter**—Sandkuhl & Company, Inc., Newark, N. J. and New York City.

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.

● California-Pacific Utilities Co. (12/21)
Nov. 21, 1960 filed 57,986 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—550 California St., San Francisco, Calif. **Underwriter** — Eastman Dillon, Union Securities & Co., New York, N. Y.

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. (12/20-30)
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.

Continued on page 34

Digitized for FRASER
http://fraser.stlouisfed.org/

Continued from page 33

● 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. **Note**—This statement was effective Nov. 16.

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. (12/15)
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.

● 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 December.

● Chematomics, Inc. (12/20)
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. (12/12)
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. (12/30)
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.

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.

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**—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.

Coburn Credit Co., Inc.
Nov. 18, 1960 filed 50,000 shares of common stock (par value $1). **Price**—$4 per share. **Business**—Consumer sales finance business. **Proceeds**—For general corporate purposes. **Office**—53 N. Park Avenue, Rockville Centre, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc., New York, N. Y. **Offering**—Expected in early January.

Colwell Co.
Nov. 18, 1960 filed $1,000,000 of 6½% subordinated sinking fund debentures, due 1976, each $1,000 debenture to have an attached warrant for the purchase of 50 shares of common stock. Also filed were 60,000 shares of common stock, of which 50,000 shares are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—Originating and servicing loans secured by mortgages on real property. **Proceeds**—For working capital. **Office**—5856 Wilshire Boulevard, Los Angeles, Calif. **Underwriter** — Mitchum, Jones & Templeton, Los Angeles, Calif. and J. A. Hogle & Co., Salt Lake City, Utah.

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 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.

Continental Investment Corp.
Nov. 10, 1960 filed 100,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business** — Purchasing retail instalment sales contracts and making direct loans secured by personal property. **Proceeds** — To go to selling stockholders. **Office** — 120 S. Third St., Memphis, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville, Tenn. (managing).

● Cook Coffee Co. (12/6-7)
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. (12/15)
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.

Cove Vitamin & Pharmaceutical Inc. (12/19-23)
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.

✢ Cowles Chemical Co.
Nov. 29, 1960 filed $2,500,000 of convertible subordinated debentures, due Dec. 31, 1980. **Price**—To be supplied by amendment. **Business**—The production and distribution of high purity chemicals for industrial use, primarily by laundries. **Proceeds** — For expansion and construction. **Office**—Cleveland, Ohio. **Underwriters**—Shearson, Hammill & Co., New York City and Gunn, Carey & Roulston, Inc., Cleveland, Ohio (managing). **Offering**—Expected in mid-January.

● Crumpton Builders, Inc.
Nov. 17, 1960 filed 750,000 shares of common stock, $1,500,000 of 9% convertible debentures due Jan. 10, 1981, and warrants, to be offered in units, each unit to consist of five shares of common stock, one debenture and one warrant. **Price**—To be supplied by amendment. **Business**—The construction of owner completed ("shell") homes. **Proceeds**—To increase mortgage notes receivable and the balance for general corporate purposes. **Office** — 2915 West Hillsborough Ave., Tampa, Fla. **Underwriter** — Courts & Co., Atlanta, Ga. and New York City. **Offering**—Sometime in January.

● Cyclomatics, Inc. (12/5-9)
Aug. 31, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Motorized and automatic health equipment. **Proceeds** — For inventory and working capital. **Office**—Astoria, L. I., N. Y. **Underwriter**—General Securities Co., 101 W. 57th St., N. Y. 19, N. Y.

Daffin Corp.
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.

Dalto Corp.
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. **Offering**—Indefinitely postponed.

● Davega Stores Corp.
Sept. 7, 1960, filed $1,500,000 of 6½% convertible subordinated debentures, due 1975, being offered to its common stockholders of record Nov. 23 pursuant to preemptive rights, with rights to expire on Dec. 14 at 3:30 p.m. (EST). **Price**—$100 per debenture plus accrued interest. **Business**—The company operates a chain of 29 retail stores in the metropolitan New York area in which it sells various electrical appliances, sporting goods and apparel. **Proceeds** — For general corporate purposes, including fixtures and inventory for two new retail discount centers. **Office**—215 Fourth Avenue, New York City. **Underwriter**—Amos Treat & 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. (12/14)
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.

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. (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. (12/5)
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.

● 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 January.

● 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. **Offering**—Imminent.

Digitized for FRASER
http://fraser.stlouisfed.org/

★ Echlin Manufacturing Co.
Nov. 21, 1960 (letter of notification) an undetermined number of shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceed**—To selling stockholders. **Address**—Branford, Conn. **Underwriter**—Blair & Co., Inc., Chicago, Ill.

● 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 December or early January.

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 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.

★ Electronic Tube Corp.
Nov. 28, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cathode ray tubes and associated electronic products. **Proceeds**—The acquisition of equipment; initiation of production; repayment of existing indebtedness and for working capital. **Office**—1200 E. Mermaid Lane, Philadelphia, Pa. **Underwriter**—Harrison & Co., Philadelphia, Pa. (managing).

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.

● Epps Industries, Inc.
Nov. 2, 1960 filed 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. **Offering**—Imminent.

● Federal Street Fund, Inc. (12/2)
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.
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. **Offering**—Expected in January.

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.

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.
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. (12/5-9)
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.
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. (12/12)
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).

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.

● Garsite Corp. (12/12-17)
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.

● (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). **Note**—This statement was withdrawn on Nov. 17.

General Bowling Corp. (1/23-27)
Nov. 17, 1960 filed 250,000 shares of common stock (par 10¢). **Price**—$4 per share. **Business**—The issuer owns two bowling establishments, and a tract of land in Indiana County, Pa., on which it hopes to build a third. **Proceeds**—To equip the prospective establishment ($150,000), to repay a bank loan ($50,000), to add eight lanes to a bowling facility ($50,000), and the balance will be used for working capital. **Office**—2 Park Avenue, Manhasset, L. I., N. Y. **Underwriters**—H. S. Simmons & Co., Inc., and McMahon, Lichtenfeld & Co., both of New York City.

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. (12/5)
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.

Genie Petroleum, Inc.
Nov. 10, 1960 filed 838,718 shares of common stock. **Price**—$1 per share. **Business**—Development of oil properties. **Proceeds**—For general corporate purposes. **Office**—5245 W. Irving Park Road, Chicago, Ill. **Underwriter**—The issuer intends to become a licensed broker-dealer in the states in which this offering is to be made, and to offer 338,718 of the shares through its officers and employees. The remaining 500,000 shares will be offered through other licensed broker-dealers on a "best efforts" basis.

Geophysics Corp. of America (12/5-9)
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).

★ Geotechnics & Resources, Inc. (12/21-25)
Nov. 25, 1960 (letter of notification) 149,800 shares of capital stock (par 25 cents). **Price**—$2 per share. **Business**—Scientific research and development. **Proceeds**—For general corporate purposes. **Office**—c/o Whitman, Ransom & Coulson, Esqs., 40 Wall St., New York, N. Y. **Underwriter**—S. D. Fuller & Co., New York, N. Y.

Glas Foam Corp. (12/5-9)
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. (12/6)
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.

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.

Great American Industries, Inc.
Nov. 10, 1960 filed 500,000 shares of outstanding common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To go to selling stockholders. **Office**—485 Fifth Ave., New York, N. Y. **Underwriter**—J. G. White & Co., Inc., New York, N. Y.

● Gremar Manufacturing Co., Inc. (12/5)
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.

★ Gulf Guaranty Land & Title Co.
Nov. 29, 1960 filed $750,000 of 7% convertible subordinated debentures, due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of $100 of debentures and 250 shares of common stock. **Price**—$200 per unit. **Proceeds**—To reduce indebtedness, repay a mortgage, construction, and general corporate purposes. **Office**—Miami, Fla. **Underwriter** — Street & Co., New York City.

★ Gulf States Utilities Co. (1/17)
Nov. 29, 1960 filed 350,000 shares of common stock. **Proceeds**—To repay short-term notes, for construction, and general corporate purposes. **Office**—Beaumont, Tex. **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. **Information Meeting**—Scheduled for Jan. 12 at 11:00 a.m. at the Hanover Bank, New York City.

Continued on page 36

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal

Continued from page 35

Heinicke Instruments Co.
Nov. 10, 1960 filed 67,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The company, together with its subsidiaries, makes stainless steel pumps for its own use and sale to others, and designs and manufactures high frequency cleaning equipment used in the cleaning and sterilization of glassware. **Proceeds**—To reduce by $300,000 the issuer's note in the amount of $470,000 payable to its president, Dr. Kurt J. Heinicke, with the balance for plant and equipment and other general corporate purposes. **Office**—2035 Harding St., Hollywood, Fla. **Underwriter** — Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

Heldor Electronics Manufacturing Corp.
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. **Offering**—Imminent.

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.
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. **Offering**—Imminent.

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.

Holiday Inns of America, Inc.
Nov. 16, 1960 filed 127,845 shares of outstanding common stock (par $1.50). **Price**—To be supplied by amendment. **Business** — The firm and its licensees own and operate 162 inns throughout the country. The issuer, through a subsidiary, gains additional revenue from selling various supplies and equipment to motels, principally its licensees. **Proceeds**—To selling stockholders. **Office**—3736 Lamar Ave., Memphis, Tenn. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. **Offering**—Expected in mid-December.

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**—Indefinitely postponed.

★ Hydro-Electronics Corp.
Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The design and manufacture of precision measuring equipment, automation equipment and general precision fluid controls. **Proceeds** — For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter**—Lloyd Securities, New York, N. Y.

★ Hydromatics, Inc.
Nov. 25, 1960 filed $1,000,000 of debentures, due Jan. 1, 1971 with warrants for the purchase of common stock to be offered in units, each unit to consist of a $1,000 debenture and one warrant; and 20,000 outstanding common shares. **Price**—To be supplied by amendment. **Business**—The designing, manufacturing and selling of ball valves. **Proceeds**—To retire bank loans, purchase additional equipment and for working capital. **Office** — 5 Lawrence St., Bloomfield, N. J. **Underwriters** — Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day, both of New York (managing).

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**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

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.

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. (12/8)
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).

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. (12/23)
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. **Underwrter**—To be determined by competitive bidding. Probable bidders: A. C. Allyn & Co., Inc.; Smith, Barney & Co.; Stone & Webster Securities Corp. and First Boston Corp. **Bids**—To be received on Dec. 6 up to 2:30 p.m. (CST), Assembly Room, 8th floor, Harris Bank Bldg., 111 W. Monroe St., Chicago, Ill.

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 up to 10:00 a.m. (CST) at the Assembly Room, 8th floor, Harris Bank Bldg., 111 W. Monroe St., Chicago, Ill.

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.

Israel Development Corp.
Nov. 21, 1960 filed $3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of $500, $1,000 and $5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None.

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.

★ Kansas Gas & Electric Co. (1/17)
Nov. 29, 1960 filed $7,000,000 of first mortgage bonds, due 1991. **Price**—To be determined at competitive bidding. **Proceeds**—To retire bank loans and for company's construction program. **Office** — 201 North Market St., Wichita, Kansas. **Underwriter** — To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Stone & Webster Securities Corp. (jointly); Glore, Forgan & Co. **Bids**—Scheduled for Jan. 17 at 11 a.m. (EST).

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).

● Koeller Air Products, Inc. (12/8)
Aug. 31, 1960 filed 100,000 shares of common stock (par 5 cents) and 50,000 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.

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.

★ Leasing Credit Corp.
Nov. 29, 1960 filed 200,000 shares of class A stock and 200,000 warrants to be offered in units of one share and one warrant. **Price**—$4 per unit. **Proceeds**—For working capital. **Office**—New York City. **Underwriter**—Edward Lewis & Co., Inc., New York (managing).

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

★ Life Assurance Co. of Pennsylvania
Nov. 29, 1960 filed 60,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—For investment in income producing securities and mortgages. **Office** — Philadelphia, Pa. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. (managing).

Digitized for FRASER
http://fraser.stlouisfed.org/

● 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**—Grant, Fontaine & Co., Oakland, Calif. **Note**—Statement effective Nov. 23.

● Living Aluminum, Inc. (12/8)
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. (12/8)
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. (12/7)
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).

Madigan Electronic Corp. (12/12-16)
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. **Offering**—Indefinite.

Marsh Supermarkets, Inc. (12/15)
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).

Mensh Investment & Development Associates, Inc.
Nov. 17, 1960, filed (1) $1,100,250 of 8% convertible subordinated debentures, due Sept. 1, 1970, and 36,675 shares of capital stock (par $1) to be offered in units of $750 of debentures and 25 shares of stock; (2) $969,000 of debentures and 32,300 shares of stock to be offered for subscription by stockholders and (3) approximately $142,860 of debentures and not to exceed 5,000 shares of stock to be offered in exchange for the 6% debentures, due March, 1961, of its subsidiary, Mentos Investments, Inc. **Price**—(1) $1,100 per unit; (2) 100% per debenture and $10 per share of stock. **Business** — The principal assets of the company are an office building at 1910 K St., N. W., Washington, D. C. **Proceeds**—To retire certain obligations; make improvements on property; retire debentures due 1961, and to construct or acquire income producing properties. **Office**—1625 Eye St., Washington, D. C. **Underwriter**—None.

★ Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C.

● Metropolitan Telecommunications Corp.
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). **Offering**—Indefinite.

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. (12/30)
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).

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.

Mineral Concentrates & Chemical Co., Inc.
Nov. 10, 1960 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—Production of beryllium oxide. **Proceeds** — To pay two corporate notes; plant improvements; research and experimentation with flotation process; and working capital. **Office**—1430 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

Minneapolis Gas Co.
Nov. 21, 1960, filed 228,346 shares of common stock to be offered for subscription by common stockholders on the basis of one share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds** — For repayment of bank loans and for additions to the property. **Office**—739 Marquette Ave., Minneapolis 2, Minn. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn.

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 Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975 **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Offering**—Imminent.

● Mohawk Insurance Co. (12/15)
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. (12/15)
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.

Mountain States Telephone & Telegraph Co.
Oct. 28, 1960 filed 6,729,142 shares of capital stock being 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.

● NAC 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. **Offering**—Imminent.

National Aeronautical Corp. (1/4)
Nov. 8, 1960 filed 60,000 shares of $1 par common stock. **Price** — To be supplied by amendment. **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.
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). **Offering**—Expected in late December.

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** — 418 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.

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**—Indefinitely postponed.

New Canaan Co. (12/12)
Nov. 7, 1960 (letter of notification) 8,000 shares of class A capital stock (no par) and 2,000 shares of class B capital stock (no par) to be offered in units of 4 shares of class A and 1 share of class B for subscription by holders of class A and class B stock. Rights expire on Nov. 18, 1960. **Price**—$101 per unit. **Proceeds**—To repay a bank loan, loans to subsidaries and for working capital. **Office**—39 South Ave., New Canaan, Conn. **Underwriter** — Glidden, Morris & Co., 165 Broadway, New York, N. Y.

★ New Moon Homes, Inc.
Nov. 28, 1960 filed 131,600 shares of common stock (par $1), of which 66,668 shares are to be offered by the company, and 64,932 shares for the account of selling stockholders. **Price**—$9 per share. **Business**—The manufacture and sale of mobile homes. **Proceeds**—For working capital and new product development. **Office**—7808 Carpenter Freeway, Dallas, Texas. **Underwriter**—Baker, Simonds & Co., Detroit, Mich. (managing).

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.

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.

● 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**—$5.25 per share. **Proceeds**—For capital equipment, research, sales development, and working capital. **Office**—Minneapolis, Minn. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

Continued on page 38

Digitized for FRASER
http://fraser.stlouisfed.org/

Continued from page 37

★ **Nuclear Engineering Co., Inc.**
Nov. 17, 1960 (letter of notification) 30,000 shares of common stock (par 33⅓ cents). **Price**—$10 per share. **Proceeds**—To repay a bank loan, account payable and for working capital. **Office**—65 Ray Street, Pleasanton, Calif. **Underwriter** — Walter C. Gorey Co., San Francisco, Calif.

★ **Ostheimer & Co., Inc.**
Nov. 22, 1960 (letter of notification) 480 shares of common stock (par five cents). **Price**—$20 per share. **Proceeds** — To go to a selling stockholder. **Office** — 1510 Chestnut Street, Philadelphia, Pa. **Underwriter**—None.

● **Paddington Corp. (12/5)**
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).

● **Pall Corp. (12/12)**
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 (12/27-30)
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.

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. (12/12-16)
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.

★ **Peerless Mortgage Co.**
Nov. 16, 1960 (letter of notification) 430,000 shares of common stock (par 20 cents). **Price**—60 cents per share. **Proceeds**—For general corporate purposes. **Office**—403 Ursula Street, P. O. Box 187, Aurora, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

● **Peerless Tube Co. (1/11)**
Nov. 22, 1960 filed 150,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The production and sale of collapsible metal tubes and aerosol containers. **Proceeds**—To increase automation of production lines, for research and development, and the balance for working capital. **Office**—Bloomfield, N. J. **Underwriter**—Winslow, Cohu & Stetson, Inc., New York City.

Penobscot Chemical Fibre Co. (12/12-16)
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 January.

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.**
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 have withdrawn as underwriters. **Note**—This statement was withdrawn Nov. 17.

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.

Plated Wires & Electronics, Inc.
Nov. 16, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—Manufacturers of assorted wires, including special wires for high temperature controls. **Proceeds**—For general corporate purposes. **Office**—63 Main Street, Ansonia, Conn. **Underwriter**—J. B. Coburn Associates, New York, N. Y.

Pneumodynamics Corp.
Nov. 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is primarily a government defense contractor, supplying products and services requiring advanced technology. **Proceeds** — To repay indebtedness and the balance for working capital. **Office**—3781 E. 77th St., Cleveland, Ohio. **Underwriters**—Hemphill, Noyes & Co. and Estabrook & Co. **Offering**—Expected in January.

Pocket Books, Inc. (1/10)
Nov. 17, 1960 filed 600,000 outstanding shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Business** — The issuer publishes and distributes paperback books, distributes publications of other publishers, and sells phonograph records. **Proceeds**—To selling stockholders. **Office**—630 Fifth Ave., New York City. **Underwriters**—White, Weld & Co. and Goldman, Sachs & Co., both of New York (managing).

Polysonics, Inc.
Nov. 18, 1960 (letter of notification) 70,000 shares of 1 cent par common stock. **Price**—$3 per share. **Business**—The company, formed last July, will act as theatrical producers and will produce jazz festivals, concerts, records and commercial films. The firm also plans to enter the development and merchandising of new commercial color sound process for industrial and commercial advertising. **Proceeds**—For working capital. **Office**—480 Lexington Avenue, New York City. **Underwriters**—M. H. Meyerson & Co., Ltd., 15 William Street, New York City (managing); Karen Securities Corp., New York City, and Selected Investors, Brooklyn, New York. **Offering**—Expected in mid-December.

Popell (L. F.) Co.
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

Porce-Cote Research & Development Corp.
Nov. 18, 1960 (letter of notification) 50,000 shares of class A stock (par 10 cents). **Price**—$5 per share. **Business**—Research and development of chemical products. **Proceeds**—For general corporate purposes. **Office**—336 Uniondale Ave., Uniondale, N. Y. **Underwriter**—Suburban Investors Corp., Uniondale, N.Y.

Potomac Electric Power Co. (12/7)
Nov. 10, 1960 filed $40,000,000 of 35-year first mortgage bonds. **Price**—To be supplied by amendment. **Proceeds**—To retire $9,725,000 of bank loans and for construction. **Office**—929 "E" St., N. W., Washington, D. C. **Underwriter**—To be determined by competitive bidding. **Probable bidders**: Halsey, Stuart & Co. Inc.; First Boston Corp.; Dillon Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Smith, White, Weld & Co. and Salomon Bros. & Hutzler (jointly); Lehman Brothers and Eastman Dillon, Union Securities Corp. (jointly). **Bids**—Tentatively expected on Dec. 7.

● **Precisioncraft Electronics, Inc.**
Nov. 14, 1960 (letter of notification) 150,000 shares of capital stock (no par). **Price**—$1 per share. **Proceeds**—To retire a bank loan and to purchase building inventories and for working capital. **Office**—5335 W. 102nd St., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles, Calif.

Preferred Risk Life Assurance Co. (12/15)
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.

★ **Public Service Electric & Gas Co. (12/13)**
Nov. 23, 1960 filed 250,000 shares of $100 par cumulative preferred stock. **Price**—To be supplied by amendment. **Proceeds** — For construction. **Office** — 80 Park Place, 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.

★ **Puget Sound Development Co., Inc.**
Nov. 18, 1960 (letter of notification) 2,000,000 shares of common stock (no par). **Price**—10 cents per share. **Proceeds**—For expenses in exploring for oil and natural gas. **Office**—SeaVue Theatre Building, Box 463, Blaine, Wash. **Underwriter**—None.

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**—Postponed.

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. (1/5)
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.

● **Rajac Self-Service, Inc.**
Nov. 15, 1960 filed 154,375 shares of common stock (10c par). **Price**—$3 per share. **Proceeds**—$30,000 will be used to pay an outstanding note, $87,500 will be used for the acquisition, constructing, and equipping of an additional plant, $22,500 will be used to cover the expenses of offering the stock, and the balance will be used to reduce indebtedness and purchase equipment. **Office**—Mt. Vernon, N. Y. **Underwriter**—The James Co., 369 Lexington Avenue, New York 17, N. Y. **Offering**—Expected sometime in January.

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.

★ **Reeves Soundcraft Corp.**
Nov. 23, 1960 filed 150,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of magnetic tape, film and recording discs. **Proceeds** — To the Prudential Insurance Co. of America, the selling stockholder. **Office**—15 Great Pasture Road, Danbury, Conn. **Underwriter**—Emanuel, Deetjen & Co., New York City (managing). **Offering**—Expected some time in January.

● **Resisto Chemical, Inc. (12/12-16)**
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.

Restaurant Associates, Inc.
Nov. 16, 1960 filed 245,000 shares of $1 par common stock, of which 195,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business** — The issuer operates a wide variety of restaurants, coffee shops, and cafeterias, mostly in New York City, including The Four Seasons and The Forum of the Twelve Caesars. **Proceeds**—For working capital and expansion. **Office**—515 W. 57th St., New York City. **Underwriter**—Shearson, Hammill & Co., New York City (managing). **Offering** — Expected in early January.

● **Revlon, Inc. (12/19)**
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). **Note**—This statement was effective Nov. 18.

Digitized for FRASER
http://fraser.stlouisfed.org/

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.

● **Ritter Co., Inc. (12/19)**
Nov. 17, 1960 filed $4,500,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Business** — The firm manufactures medical and dental equipment. **Proceeds** — To retire $3,350,000 of short term bank loans, with the balance for general corporate purposes. **Office**—Ritter Park, Rochester, N. Y. **Underwriter**—Lehman Brothers, New York City (managing).

Rohm & Haas Co.
Nov. 17, 1960 filed 9,000 shares of outstanding common stock (par $20). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders, the executors of the estate of Otto Haas, former Board Chairman and President. **Office**—222 West Washington Square, Philadelphia, Pa. **Underwriters**—Drexel & Co., Philadelphia, Pa., and Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in early January.

Russ Togs, Inc. (12/12-16)
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).

★ **Sanberec, Inc.**
Nov. 17, 1960 (letter of notification) 1,745 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—To purchase land, equipment, supplies and for working capital. **Office** — 430 W. 40th Street, San Bernardino, Calif. **Underwriter**—None.

Save-Co Veterans & Service & 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 mid-to-late December.

★ **(G. T.) Schjeldahl Co.**
Nov. 28, 1960 filed 9,000 outstanding shares of common stock and $765,000 of convertible subordinated debentures, due 1971. The debentures will be offered to holders of the outstanding common stock on basis of $100 principal amount of debentures for each 100 common shares held. **Price**—To be supplied by amendment. **Business**—The research, development and production of plastics and electronic instrumentation systems. **Proceeds**—For working capital, the acquisition and development of Plymouth Industrial Products, Inc., Sheboygan, Wis., and for expansion. **Office**—Northfield, Minn. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn. (managing).

● **School Pictures, Inc.**
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. **Offering**—Indefinite.

Seaboard Homes, Inc.
Nov. 7, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — 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.

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 January.

Shatterproof Glass Corp.
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). **Offering**—Expected in mid-to-late December.

★ **Shinn Industries Inc.**
Nov. 29, 1960 filed 150,000 shares of common stock. **Price**—$6 per share. **Proceeds**—To repay a bank loan, for expansion and inventory, and for working capital. **Office**—Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City.

★ **Shore-Calnevar, Inc.**
Nov. 25, 1960 filed 200,000 common shares, of which 100,000 shares will be offered for public sale by the company and 100,000, being outstanding shares, by present stockholders. **Price**—To be supplied by amendment. **Business**—Designs and produces automobile hub caps, washroom dispensers and other janitorial supplies. **Proceeds**—To repay outstanding bank loans and to increase inventories. **Office** — 7701 East Compton Boulevard, Paramount, Calif. **Underwriter** — H. Hentz & Co. and Federman, Stonehill & Co., both of New York City (managing). **Offering** — Expected in late December to early January.

● **Simplex Wire & Cable Co.**
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). **Offering**—Indefinite.

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). **Offering**—Indefinitely postponed.

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. (12/20)**
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.

Southern Bell Telephone & Telegraph Co. (12/5)
Nov. 10, 1960 filed $75,000,000 of debentures due 1997. **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. **Bids**—Expected on Dec. 5 at room 2315, 195 Broadway, New York City up to 11:30 a.m. (EST).

● **Southwest Gas Corp. (1/4)**
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.

Speedee Mart, Inc.
Nov. 21, 1960 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Enfranchising others to manage and operate retail food stores under the name of "Speedee Mart." **Proceeds**—For acquisitions, equipment and store inventories. **Office** — 7988 Normal Ave., La Mesa, Calif. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

● **Speedry Chemical Products Inc. (12/20)**
Sept. 28, 1960 filed $2,000,000 of convertible subordinated debentures, due Dec. 1, 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. (12/5)**
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. (12/7)**
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. (12/12)**
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.

Steel Crest Homes, Inc.
Nov. 22, 1960 filed 180,000 shares of common stock; $45,000 of 8% subordinated sinking fund debentures ($10 face amount), due Sept. 1, 1981; and 45,000 warrants exercisable at $15 for the purchase of two shares and one debenture (for which 90,000 underlying common shares and 45,000 underlying 8% debentures were also filed). The securities will be offered in units, each unit to consist of four shares of stock, one $10 face amount debenture and one warrant. **Price**—$18 per unit. **Proceeds**—For the financing of homes sold by the company and its subsidiary, and for working capital. **Office**—Center Square, Pa. **Underwriters**—Marron, Sloss & Co., Inc., New York City and Harrison & Co., Philadelphia, Pa.

● **Still-man Manufacturing Corp. (12/13)**
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.

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.

Summers Gyroscope Co.
Aug. 29, 1960 filed 6,403,213 shares of common stock, of which 5,702,877 shares are being offered by Atlas Corp. to the holders of its outstanding common of record Nov. 9 on the basis of one Summers share for each two Atlas shares held, and 700,336 shares being offered by Mertronics Corp. to stockholders of record Nov. 9 on a share-for-share basis with rights for both offerings 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**—All Summers' stock not subscribed for by Atlas holders on Dec. 19 will be purchased at the subscription price by Floyd B. Odlum, former president of Atlas.

● **Swingline, Inc. (12/5)**
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).

★ **"Taro-Vit" Chemical Industries Ltd.**
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

Tech Laboratories, Inc. (12/5-9)
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.

Continued on page 40

Digitized for FRASER
http://fraser.stlouisfed.org/

Continued from page 39

Tech-Ohm Electronics, Inc.
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y. **Note**—This issue was refiled on Sept. 6.

TelAutograph Corp.
Nov. 18, 1960 filed an unspecified number of shares of common stock (par value $1), to be offered to common stockholders for subscription. **Price**—To be supplied by amendment. **Proceeds**—For initial production expenses of a Telescriber compatible with an A. T. & T. analog subset; for initial production expenses of facsimile equipment to be made by its subsidiary Hogan Faximile Corp., and the balance of the reduction of indebtedness. **Office**—8700 Bellanca Avenue, Los Angeles, Calif. **Underwriters**—Baird & Co. and Richard J. Buck & Co., both of New York City, and Chace, Whiteside & Winslow, Inc., Boston, Mass. **Offering**—Expected some time in January.

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. (12/12-16)**
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

Tele-Tronics Co. (12/12-16)
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**—Imminent.

● **Texas Butadiene & Chemical Corp.**
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. **Offering**—Postponed.

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 mid-December.

● **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 December.

Underwater Storage, Inc.
Nov. 8, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—1028 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Searight, Ahalt & O'Connor, Inc., New York, N. Y. **Offering**—Expected in early January.

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 capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—To be supplied by amendment.

★ **United Gas Corp.**
Nov. 29, 1960 filed a maximum of 161,573 shares of $10 par common stock. **Price**—To be supplied by amendment. **Proceeds** — To the selling stockholder, Electric Bond & Share Co. **Office**—Shreveport, La. **Underwriter**—None.

● **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 mid-December.

● **United International Fund Ltd. (12/12)**
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).

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. (12/12-16)
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).

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 (language laboratories). **Proceeds** — For general corporate purposes. **Address** — 510 Hudson St., Hacskensack, 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. (12/6)**
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.

Varifab, Inc.
Nov. 14, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of components, subassemblies, assemblies and special devices in the missile and computer fields. **Proceeds**—For general corporate purposes. **Address**—High Falls, N. Y. **Underwriter**—Droulia & Co., New York, N. Y.

● **Vector Industries, Inc. (12/5-9)**
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.

● **Victor Paint Co. (12/7-8)**
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. (12/2-8)**
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 Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● **Western Utilities Corp. (12/2)**
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).

● **Westminster Fund, Inc. (12/15)**
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.

● **Willer Color Television System, Inc. (12/12-16)**
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.
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. **Offering**—Delayed.

Winn-Dixie Stores, Inc. (12/12)
Nov. 22, 1960 filed 406,000 shares of outstanding common stock, of which 350,000 shares are for public offering, and 56,000 shares are to be offered to key employees. **Price**—To be supplied by amendment. **Business**—The company operates 510 retail food stores. **Proceeds**—To Diversified Locations, Inc., the selling stockholder. **Office**—5050 Edgewood Court, Jacksonville, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

● **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. **Offering**—Expected in December.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing was scheduled for Aug. 29 at the request of the company counsel and the results have not as yet been announced.

● **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**—Postponed.

Digitized for FRASER
http://fraser.stlouisfed.org/

ATTENTION UNDERWRITERS!
Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item similar to those you'll find hereunder.
Would you telephone us at REctor 2-9570 or write us at 25 Park Place, New York 7, N. Y.

Prospective Offerings

Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

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.

Approved Finance Inc.
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

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 "Sky-jector." **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, possibly bonds or preferred stock, sometime during the first half of 1961. **Office**—Lexington Building, Baltimore, Md. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly).

● **Bo-Craft Enterprises Inc.**
Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 cent par common stock will be filed for this company. **Price**—$3 per share. **Business**—The company is engaged in the manufacture of parts for zippers. **Proceeds**—For expansion and general corporate purposes. **Office**—11-54 44th Drive, Long Island City, N. Y. **Underwriter**—Harwyn Securities, 1457 Broadway, New York City.

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.

Brunswick Corp.
Nov. 22, 1960 it was reported that stockholders have authorized the issuance of $25,000,000 of 20-year convertible subordinated debentures to be offered for subscription by stockholders of record on or about Jan. 11. **Proceeds** — To reduce short-term borrowings. **Office**—623 S. Wabash Ave., Chicago, Ill. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co. (for unsubscribed for shares).

Business Capital Corp.
Nov. 18, 1960 George H. Dovenmuehle, Board Chairman of Dovenmuehle Inc., Chicago, Ill., reported that this firm is contemplating "a large public offering." **Business**—This is a small business investment company formed in 1960, and it plans to develop real estate. In addition to Mr. Dovenmuehle, directors will be drawn from Commonwealth Edison Co.; Chicago Title & Trust Co.; Continental Assurance (Chicago); Booz Allen & Hamilton and Armour Research Institute. **Office**—Chicago, Ill.

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 in late December. **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 $11,750,000 of common stock and $10,000,000 of debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion to meet $10,000,000 backlog. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—To be named.

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.

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

★ **Dakota Reinsurance Corp.**
Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its $1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office**—P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

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.

Diversified Automated Sales Corp.
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

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 but there is no indication as yet as to type, timing and amount. **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. **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.

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.

First Real Estate Investment Fund
Nov. 10, 1960 it was reported that a stock offering of $10,000,000 will be made to New York State residents in early-to-mid-December, and in January, 1961 a filing will be made with the SEC which will permit inter-state offering. **Business**—This is a new mutual fund which will become open-end subsequent to the sale of this stock, and will invest primarily in commercial real estate and short-term government bills. **Office**—7 E. 42nd St., New York City. **Sponsor** — Fass Management Corp., New York City.

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 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 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.

● **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 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.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

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.

Continued on page 42

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Continued from page 41

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 long-term 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.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

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.

Long Island Lighting Co.
Nov. 11, 1960 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 to $30,000,000 of first mortgage bonds in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y.

● Louisville & Nashville R.R. (12/13)
Nov. 30, 1960 it was reported that bids will be accepted by the road on Dec. 13, for $7,755,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler.

Macrose 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.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. Proceeds — To finance river transportation equipment presently on order and expected to be ordered. Office—Cincinnati, Ohio.

★ Mississippi Business & Industrial Development Corp.
Nov. 28, 1960 it was reported that the company will issue $1,000,000 of $10 par common stock, of which $500,000 will be subscribed for by utility companies and $500,000 will be sold to business and industry and the general public. **Business**—To assist via loans, investments, and other business transactions, in the location and expansion of businesses in Mississippi.

Nedick's Stores, Inc.
Nov. 15, 1960 it was reported that a filing of approximately 17,000 shares of common stock is under discussion, but registration is not imminent. **Office**—513 W. 166th Street, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City.

New Orleans Public Service, Inc.
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler.

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.

Northern Illinois Gas Co.
Nov. 9, 1960 C. J. Gauthier, Vice-President-finance reported that of the $95,000,000 in outside financing that will be required in the next four years to complete a $200,000,000 construction program, an unspecified amount might be raised through a common stock issue in 1961. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., New York, N. Y. (managing).

● One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected sometime in December 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. Nicholis 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 of 30-year first mortgage bonds is tentatively expected in April, 1961. **Office** — 10 North Broadway, Nyack, N. Y. **Underwriter**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly).

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: Halsey, Stuart & Co. Inc.; Blyth & Co.; Glore, Forgan & Co.; White, Weld & Co.

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).

Pacific Lighting Corp.
Nov. 10, 1960 it was reported by Robert W. Miller, chairman, that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961, but that if equity financing is used the amounts won't be high enough to dilute earnings of the common to below the $3.20 per share level. **Office**—600 California St., San Francisco 8, Calif.

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)

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 company is in the process of organizing and will manufacture 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. **Registration**—Expected in January.

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.

Puget Sound Power & Light Co.
Nov. 10, 1960 it was reported that the number of authorized common shares had been increased from 3,266,819 to 5,000,000, and that some of the added shares might be issued in 1961. **Office**—860 Stuart Bldg., Seattle 1, Wash. **Underwriter** — Previous financing has been handled by Blyth & Co.

Ram Electronics, Inc.
Nov. 4, 1960 it was reported that a December 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.

Rochester Gas & Electric Corp. (3/15)
Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected. **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.

(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.

South Carolina Electric & Gas Co.
Nov. 14, 1960 C. M. Over, Treasurer, reported that this utility is tentatively planning to issue $8,000,000 of first and refunding mortgage bonds and $5,000,000 principal amount of a new series of preferred stock in March 1961. **Underwriter**—To be determined by competitive bidding. **Address**—P. O. Box 390, Columbia, S. C.

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 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **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 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.

Telescript C.S.P., Inc.
Nov. 14, 1960 it was reported that a letter of notification, representing this firm's first public offering, will be filed shortly covering 60,000 shares of common stock. **Business**—The firm makes a prompting machine for television and an electronic tape editor. **Proceeds**—To expand plant and sales force, enter closed circuit television, repay a $20,000 loan, and for working capital. **Office**—155 West 72nd Street, New York City. **Underwriter**—Robert A. Martin Associates, Inc., 680 Fifth Avenue, New York City.

● 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**—Nov. 23 it was reported that Howard Hughes, who now owns a controlling interest in the company, has not been able to raise the funds for TWA purchase of the planes on terms that would leave him in control of the airline. Nov. 28 it was reported that negotiations are in progress to arrange interim credit.

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 in early December 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.

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 financing will probably take the form of bonds and timing will repend 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.

Waldorf Auto Leasing Inc.
Nov. 23, 1960 Mr. Tortorella, company secretary stated that a "Reg A" filing is expected. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriter** — To be named.

● 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 December.

Winona Wood Products Co.
Aug. 24, 1960, it was reported that a full filing of class A common stock is contemplated. **Business**—The company makes wood cabinets for household and industrial use. **Office**—Winona, N. J. **Underwriter**—Metropolitan Securities Inc., Philadelphia, Pa.

Winter Park Telephone Co.
May 10 it was announced that this company, **during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. Office—132 East New England Ave., Winter Park, Fla.**

Digitized for FRASER
http://fraser.stlouisfed.org/

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Cecil R. Middleton has joined the staff of Shearson, Hammill & Co., 9608 Santa Monica Blvd. He was formerly with Paine, Webber, Jackson & Curtis.

Now Proprietorship

STOCKTON, Calif.—Otto E. Sandman is continuing the investment business of Holmes & Sandman, Bank of America Building, as a sole proprietorship.

State Bond & Mtg. Branch

DES MOINES, Iowa—State Bond & Mortgage Company has opened a branch office at 3100 Sixth under the direction of Maurice A. Young.

Now Clipper & Co.

Howard D. Clipper is continuing his investment business from offices at 215 West 90th Street, New York City, under the name of Howard D. Clipper & Co.

Kidder, Peabody Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—John W. Cadigan has been added to the staff of Kidder, Peabody & Co., 75 Federal St.

Merrill Lynch Banch

SAN FRANCISCO, Calif.—Merrill Lynch, Pierce, Fenner & Smith Incorporated has opened a branch office at 445 Sutter Street under the management of Robert J. Wiley.

With Cruttenden, Podesta

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Patrick J. Cavanaugh is now connected with Cruttenden, Podesta & Co., 209 South La Salle St., members of the New York and Midwest Stock Exchanges. Mr. Cavanaugh was formerly with Reynolds & Co.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Malcolm M. Walker has become affiliated with Shearson, Hammill & Co., 208 South La Salle St.

Now With Westheimer

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Erwin B. Arvey is now with Westheimer & Co., 134 South La Salle St. He was formerly with H. Hentz & Co.

Joins Chace, Whiteside

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Richard N. Clark is now with Chace, Whiteside & Winslow, Inc., 24 Federal St., members of the New York and Boston Stock Exchanges. He was formerly with Keller & Co.

With White, Weld

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Charles H. Shattuck Jr. is now affiliated with White, Weld & Co., 1 Bush St. He was formerly with Mitchum, Jones & Templeton.

With Walston Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Clarence C. Simpson has been added to the staff of Walston & Co., Inc., Denver U. S. National Center.

Joins Edw. D. Jones

(Special to THE FINANCIAL CHRONICLE)

PUEBLO, Colo.—John A. Larkin, Jr. has joined the staff of Edward D. Jones & Co., Bon Durant Building.

Alfred Slater Opens

WASHINGTON, D. C. — Alfred A. Slater has opened offices at 4435 Wisconsin Ave. to engage in a securities business.

NSTA NOTES

TWIN CITY SECURITY TRADERS ASSOCIATION

Kermit B. Sorum

On Oct. 27, 1960, the following were elected as officers of the Twin City Security Traders Association for the ensuing year:

President: Kermit B. Sorum, Allison-Williams Co., Minneapolis, Minn.

Vice-President: Nicolas V. Schaps, J. M. Dain & Co., Minneapolis, Minn.

Secretary: George N. Meeks, Craig-Hallum, Inc., Minneapolis, Minn.

Treasurer: William T. Price, American National Bank, St. Paul, Minn.

Henry Swift Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Edgar T. Lindner has become associated with Henry F. Swift & Co., 490 California St., members of the Pacific Coast Stock Exchange. He was formerly with Cruttenden, Podesta & Co. and Walston & Co., Inc.

Joins Stix Staff

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Robert W. Tiernan has joined the staff of Stix & Co., 509 Olive St., members of the Midwest Stock Exchange. Mr. Tiernan was formerly with Yates, Heitner & Woods and B. C. Christopher & Co.

Form Atlanta Shares

ATLANTA, Ga.—Atlanta Shares, Inc. has been formed with offices at 800 Peachtree Street, N. E., to engage in a securities business. Officers are William Hicks, President; William F. Andrews, Jr., Secretary - Treasurer; and Frank A. Britt, Assistant Secretary-Treasurer.

Hayden, Stone Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Bob L. Arnett, Walter E. Davidson, Jr., and Robert A. Morefield have been added to the staff of Hayden, Stone & Co., 5657 Wilshire Blvd. Mr. Arnett and Mr. Morefield were formerly with Dean Witter & Co. Mr. Davidson was with H. Hentz & Co.

First Miami Securities

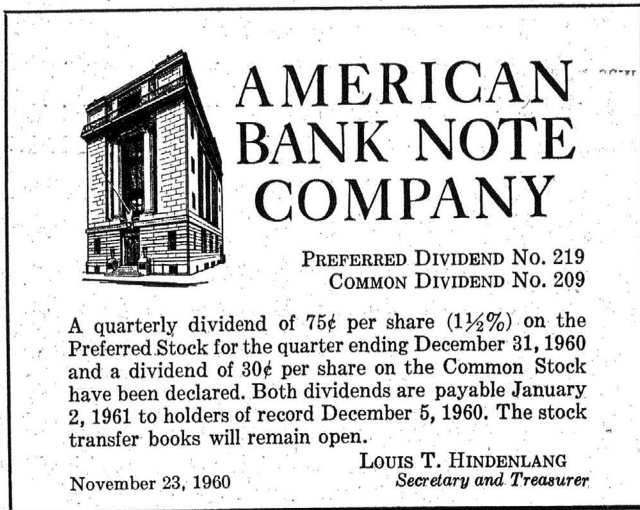
MIAMI, Fla.—First Miami Securities Corp. has been formed with offices at 1140 Northeast 111th Street to engage in a securities business. Officers are Benjamin Ogurek, President; Robert C. McFadden, Vice-President; and Minnette Ogurek, Secretary-Treasurer.

Miller, Smith & Co. Opens

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Miller, Smith & Co., Inc., has been formed with offices in the Farmers Union Building to engage in a securities business. Officers are Donald L. Smith, President; Joseph W. Hicks and Harold M. Miller, Vice Presidents, and Gordon A. Jemm, Secretary. George K. Neujahr has joined the firm's sales staff.

DIVIDEND NOTICES



PREFERRED DIVIDEND No. 219
COMMON DIVIDEND No. 209

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending December 31, 1960 and a dividend of 30¢ per share on the Common Stock have been declared. Both dividends are payable January 2, 1961 to holders of record December 5, 1960. The stock transfer books will remain open.

November 23, 1960

LOUIS T. HINDENLANG
Secretary and Treasurer

QUALITY

The American Tobacco Company

225TH PREFERRED DIVIDEND

A quarterly dividend of 1½% ($1.50 a share) has been declared upon the Preferred Stock of THE AMERICAN TOBACCO COMPANY, payable in cash on January 3, 1961, to stockholders of record at the close of business December 9, 1960. Checks will be mailed.

HARRY L. HILYARD
Vice President and Treasurer

November 29, 1960

DIVIDEND NOTICES

DREWRYS

A quarterly dividend of forty (40) cents per share for the fourth quarter of 1960 has been declared on the common stock, payable December 12, 1960 to stockholders of record at the close of business on November 25, 1960.

Drewrys Limited U. S. A. Inc.
South Bend, Indiana
T. E. JEANNERET,
Secretary and Treasurer

ANACONDA

DIVIDEND NO. 210

November 23, 1960

The Board of Directors of THE ANACONDA COMPANY has today declared a dividend of One Dollar ($1.00) per share on its capital stock of the par value of $50 per share, payable December 28, 1960, to stockholders of record at the close of business on December 5, 1960.

R. E. SCHNEIDER
Secretary and Treasurer
25 Broadway, New York 4, N. Y.

AMPHENOL ★ BORG ★

Dividend Notice

Broadview (Chicago suburb), Illinois—At a meeting of the Board of Directors of Amphenol-Borg Electronics Corporation held today a quarterly dividend of thirty-five cents (35¢) per share was declared payable December 30, 1960, to the stockholders of record at the close of business December 16, 1960.

FRED G. PACE, Secretary.
November 22, 1960.

DIVIDEND NOTICES

SPRAGUE ELECTRIC COMPANY

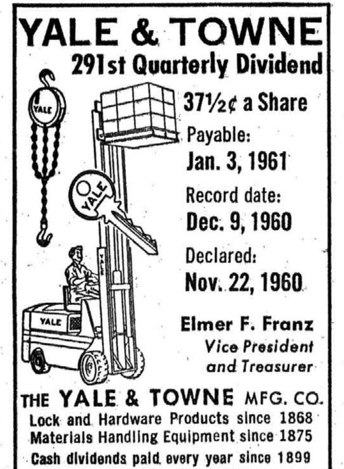
NORTH ADAMS, MASS.

The Board of Directors has announced a dividend of 30 cents a share plus a 2% stock dividend on the company's common stock. Both are payable December 14, 1960 to the stockholders of record November 30, 1960. Fractional shares will be paid in cash. Shares newly issued in connection with this stock dividend will not carry the quarterly cash dividend declared this date.

ROBERT C. SPRAGUE,
Chairman of the Board.

YALE & TOWNE

291st Quarterly Dividend



37½¢ a Share

Payable: Jan. 3, 1961

Record date: Dec. 9, 1960

Declared: Nov. 22, 1960

Elmer F. Franz
Vice President and Treasurer

THE YALE & TOWNE MFG. CO.
Lock and Hardware Products since 1868
Materials Handling Equipment since 1875
Cash dividends paid every year since 1899

Pullman Incorporated

—398th Dividend—
94th Consecutive Year of Quarterly Cash Dividends

A quarterly dividend of fifty cents (50¢) per share will be paid on December 14, 1960, to stockholders of record November 30, 1960.

CHAMP CARRY
President

Division and Subsidiaries:
Pullman-Standard division
The M. W. Kellogg Company
Trailmobile Inc.
Trailmobile Finance Company
Swindell-Dressler Corporation
Transport Leasing Company

Allegheny Power System, Inc.

formerly The West Penn Electric Company

QUARTERLY DIVIDEND on the COMMON STOCK

42½¢ per share

Payable December 29, 1960
Record December 9, 1960
Declared November 30, 1960

Principal Subsidiaries:
Monongahela Power Co.
The Potomac Edison Co.
West Penn Power Co.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The nation's great highway building program is facing a rough road ahead. Probably one of the biggest legislative fights of its life is shaping up.

The program has already been struck a damaging blow in a few sections of the country, and others apparently will be delivered in 1961.

However, not all is black for the program. The storm clouds have been gathering for a couple of years. They began getting thicker as a result of a few disclosures of irregularities and general bungling along the way.

There have been some very bad things that have occurred in connection with the proposed 41,000 miles of Interstate System of highways. At the same time qualified observers with no axes to grind are confident the good far outweighs the bad.

Incidentally, there are now about 10,000 miles of these divided, multi-laned, stop-light free expressways open to traffic, and another 5,000 miles are under construction.

The 10,000 miles of completed roads are beautiful and fast. They are truly great ribbons of concrete and asphalt. Motorists can make good time on them, because they may be entered only by access roads, and they are safer because of the neutral ground that separates traffic going in opposite directions.

High Land Costs

The Federal Government is paying 90% of the cost of these highways, and the various states the remaining 10%. But one of the big—and it is huge—obstacles is the cost of maintaing these roads. The states are going to have to maintain them, and it is going to cost about $10,000 a mile to maintain them.

Damage to the Interstate System grows out of the fact that, in many instances, in every state, highway departments are having to pay excessive costs to obtain rights-of-way. Land prices are expensive and prices are increasing. Furthermore, it is nothing but right that fair and equitable prices be paid for broad rights-of-ways through farms and cities and towns.

Literally thousands and tens of thousands of families have already been uprooted by this vast road building program. Many people are having to leave homes that have been in their families for generations because these four and six-laned expressways, plus additional rights-of-ways on either side, are destroying their homes and farms.

There is already testimony of crookedness in Oklahoma, Massachusetts, Florida and some other states. There will be more evidence before the end of 1961.

Fee Abuses Denied

There are reports that many consulting engineers have made financial killings in consultant fees in some states. However, the United States Bureau of Public Roads insists that this is not true. Sure there have been some isolated cases of excessive fees, but the picture is not generally true.

The Bureau of Roads stoutly defends use of consulting engineers by the various states on the ground that it—among other things—"enables them (states) to secure experts for specialized situations; brings outside thinking into solving problems; creates incentive for better production of the states' forces by providing a yardstick of accomplishment."

Apparently a big scrap is shaping up in the next Congress. The law-makers in January are going to get the all important lengthy study of the cost estimate of completing the remainder of the 30,000 miles of Interstate roads. Incidentally, when these roads are built, motorists will be able to drive to New York to San Francisco without a stop light.

Economic Facets

Obviously, the report is going to show that the cost of completing the system is going to be a great deal more than the original estimates when Congress passed the 1956 Highway Act setting up the Interstate system. That was the year also that Congress levied higher taxes on gasoline, oil, tires and the tax on the motor vehicle itself.

Also of marked interest to many Americans will be the report of the four-year study by the Bureau of Public Roads on the subject of highway tax equity. This report is expected to be of marked interest particularly to industry and to the tens of thousands of motel owners who have constructed these lodging places along the great highways.

Unquestionably there is room for improvement in the field of tax equality in the Federal revenue laws involving highways. The motorists of this country have finally rebelled at the ever-increasing taxes. In support of this contention is the growing number of compact car owners, who want a cheaper, smaller car. The 11 cents a gallon gasoline tax is a high tax, particularly in view of the other heavy and hidden taxes on an automobile and truck.

On the other hand there are many, many people who do not mind paying the tax at all. They would be willing to pay more than 11 cents a gallon tax on gasoline if they could be assured of the completion of the Interstate system of highways on schedule.

Higher Taxes or Stretchout the Program

There is marked interest in the study by the Bureau of Roads on the evaluation the agency is going to make relative to the benefits to both highway users and non-highway users. It is certain that the report will evoke a controversy. Certainly every organized group of taxpayers in the country will oppose any efforts that will be made to increase the tax burden, regardless of the benefits that may come their way.

The executive vice-president of the American Road Builders' Association, Major General Louis W. Prentiss (retired), looking ahead to submission of the report to Congress, recently predicted that every organized group of beneficiaries of the roads will seek to get favored tax treatment at the expense of other classes of beneficiaries.

The big question Congress will face is whether or not to permit a stretchout of the Interstate system or increase taxes.

Next July 1 the 4 cents a gallon Federal gasoline tax is scheduled, under present law, to drop to 3 cents a gallon. The oil industry of course is expected to fight to let the law expire. Nevertheless, the best guess in Washington is that Congress will extend the 4 cents tax.

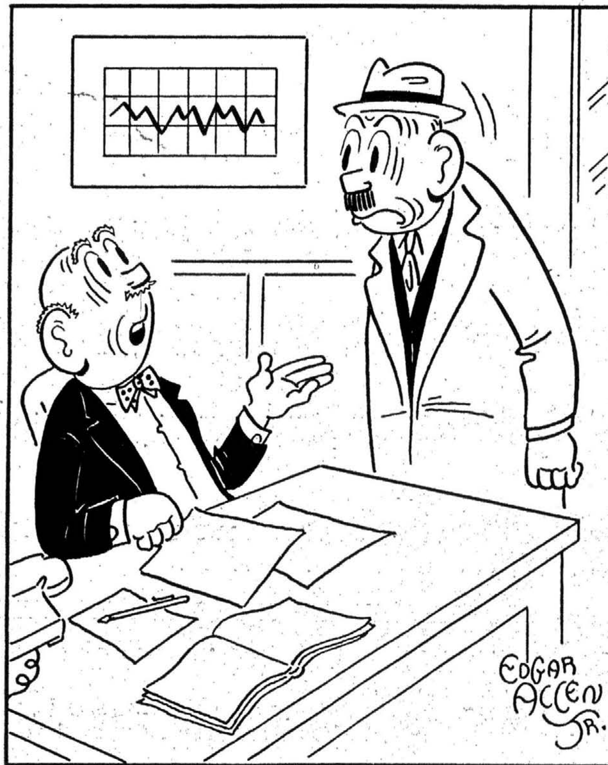
It is a lot harder to get a tax reduced or removed than it is to pass a law to levy the impost. This is likely to apply to the 4 cents gasoline tax.

Also on July 1 the Highway Trust Fund will begin to draw upon revenues from the excise taxes of passenger automobiles and automotive parts and accessories.

The Federal-aid highway program is in good shape. Under the law the vast system of primary and secondary and urban highways have priority over the revenues over the Interstate roads.

There is every indication that these 41,000 miles of highways are going to cost more than $41 billion. Some estimates run substantially higher. The question is: Where is the money coming from not only to build them but to keep them up after they have been built?

[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.]



"The slump in your X, Y & Z is finally over—it's now a total loss."

Forms Columbine Sales

LITTLETON, Colo. — Lester E. Jones is engaging in a securities business from offices at 3186 West Grand under the firm name of Columbine Sales Co.

COMING EVENTS

IN INVESTMENT FIELD

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.

Dec. 8, 1960 (Kansas City, Mo.)
Kansas City Security Traders Association annual winter dinner at the Phillips Hotel.

Dec. 8, 1960 (Philadelphia, Pa.)
Investment Association of Philadelphia annual meeting and election at Mask & Wig Club.

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.

FOREIGN SECURITIES
CARL MARKS & CO. INC.
FOREIGN SECURITIES SPECIALISTS
20 BROAD STREET • NEW YORK 5, N. Y.
TEL: HANOVER 2-0050 TELETYPE NY 1-971

Businessman's BOOKSHELF

American Management Association Management Bookshelf—Catalogue of publications—Publications Department, American Management Association, 1515 Broadway, New York 36, N. Y. (paper).

Documents on American Foreign Relations, 1959—Edited by Paul E. Zinner—Council on Foreign Relations, Inc., 58 East 68th Street, New York 21, N. Y., $6.95.

Economics: National Book League Readers Guide — Cambridge University Press, 32 East 57th Street, New York 22, N. Y. (paper), 75¢.

India Economic Newsletter—Embassy of India, 2107 Massachusetts Avenue, N. W., Washington 8, D. C.

Management of New Products—Booz, Allen & Hamilton, 135 So. La Salle Street, Chicago 3, Ill. (paper).

Self-Developing America—Harold J. Ruttenberg — Harper & Bros., 49 East 33rd Street, New York 16, N. Y. (cloth), $4.50.

Sixty Years of Business Capital Formation — Economic analysis and Public Policy Implications—George Terborgh—Machinery and Allied Products Institute, 1200 Eighteenth Street, N. W., Washington 6, D. C. (paper), $1.50 (quantity prices on request).

Technical Cooperation in Industry—International Cooperation Administration—Department of State Publication No. 7023 — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 15¢.

World Travelog—Illustrated (photographs and maps) of cities and historic sights of interest to tourists—C. S. Hammond & Co., Maplewood, N. J., $7.50.

Now Corporation

(Special to THE FINANCIAL CHRONICLE)

SAN MARINO, Calif.—Blalack & Co., Incorporated, has been formed to continue the investment business of Blalack & Co., 2477 Huntington Drive. Officers of the new corporation are Charles M. Blalack, President; William F. Staunton III, Vice-President; Joseph G. Hattersley, Secretary; and Thomas Hirsch, Treasurer.

Internat'l Equities Formed

MIAMI, Fla.—International Equities Co. is engaging in a securities business from offices at 1451 North Bayshore Drive. Officers are Robert V. Milberg, President and Treasurer; Glorida M. Milberg, Vice-President and Secretary. Mr. Milberg was formerly with Bache & Co.

Attention Brokers and Dealers:
TRADING MARKETS
American Cement
Botany Industries
W. L. Maxson
Official Films
Waste King
Our New York telephone number is
CAnal 6-3840
LERNER & CO.
Investment Securities
10 Post Office Square, Boston 9, Mass.
Telephone HUbbard 2-1990 Teletype BS 69

Digitized for FRASER
http://fraser.stlouisfed.org/