Editorial

AS WE SEE IT

The President-elect, just through with a campaign when he was (probably had to be) chiefly concerned with the hard realities of politics, now faces the task of dealing with the hard realities of life, or some of them. He is quoted as having said that he entered the Presidential contest with quite definite ideas about what we as a nation should do in the Sixties. His ideas did not always appear quite definite when he was on the hustings, but perhaps they are now growing more concrete as he chooses an official family with which, and through which, he must work for the next four years. The first cabinet selection made known was that of Abraham Ribicoff, as Secretary of Health, Education and Welfare, and one of the early announced choices for key posts outside of the cabinet was that of David E. Bell as Budget Director.

Now some of the ideas expressed by candidate Kennedy seemed definitely to imply very substantial increases in Federal outlays in the field of health and education. Now the problem is how to do any such thing and keep the budget in balance without additional taxes. It is not known whether these problems were discussed with Messrs. Ribicoff and Bell, but they will have to be, and they will not yield to any easy solution. Of course, the forthcoming budget will technically be the work of the Eisenhower Administration, but it will doubtless be re-tailored by the incoming regime. If it is not remade in a technical sense, the figures that are handed to the new Administration will have to be altered in actual practice if what are reputed to be the plans of the new regime are to be realized in any substantial degree.

Similar Problems Elsewhere

But the same type of problem will face many of the other appointments to places of responsibility in the Kennedy Administration. Neither the President-elect nor his party has been particularly specific about what they favor in the form of an agricultural program, but there will be wailing and gnashing of (Continued on page 20)

Outlook for the Stock Market—And Issues Currently Attractive

By Kenneth Ward, Partner, Hayden, Stone & Co., New York City, Members New York Stock Exchange

Market analyst, maintaining that much of recent liquidation has been overdue, asserts many issues are now attractive.

Expected year-end rally carrying to a new high of 690 on the Dow-Jones Industrials last January, the market has been slowly declining, but on a very restricted basis, for the past 12 months. Increased bearishness and pessimism during these numerous sinking spells were related with the expanding selling pressure and the depressing nature of over-all domestic business and the ever-changing international news. Nevertheless, it is important that we be reminded today that everything is never completely black and that public psychology and the general news background are seldom as bad as the market is approaching another bottom and a buying opportunity. We should be reminded too, that the oil, steel, paper, airline, copper, aluminum, rubber, rail and other groups, plus many individual stocks, have been declining for the better part of two years. Since a great deal of this liquidation has been due to the technical and structural picture is slowly improving, many stocks now appear to represent unusually attractive values. It should also be pointed out that, although the Dow Industrials have declined only about 17% from last January's high to the recent low in October, many leading stocks have dropped more than 30%. Be reminded also that no serious bear market has ever taken place with the odd-lot short selling figures at their highest in almost two years, and especially with general skepticism and bearishness so pronounced as they have been for the past several months. Individually, when the same bearish psychology prevailed in 1954 and 1955, with the bears becoming more and more convinced that the market was ready to collapse even further, the exact opposite took place. What most people think will happen, usually doesn’t happen, and when uncertainty is greatest and prevents them from buying, then it usually is the time to make profitable purchases.

Importance of Selectivity

Although the Dow Industrial average reached that all-time high of 690, strangely enough 30% of the Big Board stocks were then selling below their 1946 peaks, or the equivalent of about 213 on the Dow Industrials, and even right now about 40% of the stocks on the Big Board are selling below their 1957 high, which was 520 on the Dow Industrials. Further illustrating how completely contrary this entire current market phenomenon has been recently, is the fact that while the Dow-Jones Industrials have fallen 122 points this year, seven of its 30 components actually advanced, and 16 of them out-performed the Dow average. The setback from August to October in 1956, when Dow Industrials were off 23%, with the market in a general horizon, was not as steep as that in July from the peak in May. In fact, 1957, the Dow Industrials were off 20% during the
The Security I Like Best...

A conference forum in which, each week, a different group of experts give informed and advisory brief from all angles of the issues participants and give their reasons for favoring a particular security.

BRADBURY K. THORLUB
Vice-President, Window, Cohu & Staton, New York City

Members New York Stock Exchange and Chicago Board of Trade

General Plywood

The security I like best is in every sense the best, considering the special situation. Its future has no direct relation to that of the market. It is a national economy, or, for that matter, even a world economy. It is in the midst of an accepted sense of the term a radical specula
tion at present, but it goes well and could be a highly re
presentative and very interesting grade "blue-chip" stock, yielding within a very few years 100% and more on its present investment.

The stock is General Plywood, currently selling on the American Stock Exchange around $16. The company owns a patent which, in my opinion, is one of the most useful and utterly simple devices that have in the past and are still making industries and been the basis for enormous fortunes. It is in brief a brief finishing process, providing at practically no cost a smooth finish, both to the surface and to the interior. It is primed and sealed with a thin, plasticlike coat of sealers after which it is used. In its original application to plywood panels and doors the surface is fully coated and when used in the form of a wax coat will provide a satisfactory finish for household decoration. Applied to wood slidings (as used in home building) it can save enough in paint costs to make wood once more competitive with aluminum. The uses to which the process is immediately (and profi
tably) applicable indicate a poten
tial market well in excess of $1,000,000,000. General Plywood charges a royalty based on 2% of gross sales and believes it has huge potential in the patent itself as well as in patent growth which is now known can only be estimated in the re
ing years.

This belief has been and is now the subject of distortion; for U. S. Plywood and Georgia Pacific are currently being used by General for alleged patent infringement. Both big companies claim that their processes are essentially entirely different that they have invented and patented. General Plywood claims these big com
cer has been using their patent and would have admitted the infringement long ago had they not been deterred by a very small and poor to defend its rights by legal action in the arduous and expensive labyrinths of the laws. Be it as it may, Gen
eral Plywood, under the leadership of S. is shortly scheduled to come to trial and, depending upon the outcome, General will either be left with nothing or emerge as a successful process company in the tradition of S. & Papel, Hazleline, or Pepsi-Cola.

Obviously a layman's legal opinion is not worth very much value, but our patent friends have told me that General Plywood's claims are entirely merent of considerable and that a patent to be valid must be tested in court. The company is confident of winning, and, based on evidence of this outcome, I believe that would follow successful prosecution of this suit, the stock is in

triguing. I estimate that by the end of 1961, assuming the suit is settled early next year, royalties from the process could be coming in at a rate of about $5,000,000,000, which would be about $100,000,000 would come from business the company can immediately write on of its books before the trial takes place. At those rates of $1 million would be expected the first year (plus the initial damages) from two companies now being sued for infringement, and the balance mostly from companies who are now thought to be infringing. This will probably start paying royalties following a favorable court decision.

In 1962 I estimate this $5,000,000,000 figure would double and would at least redouble by the end of 1964. Assuming 35% taxes, earnings could exceed $10 a share by 1965 (the company has 160 million shares outstanding, but there is a real possibility that by that time all the operating units to stockholders and declaring itself a royalty company, General Plywood might well be able to avoid taxation by the Partnership.

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OVER-THE-COUNTER INDUSTRIAL STOCK INDEX

20-Year Performance of 35 Industrial Stocks

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What Steel Industry Must 
Realistically Face and Do

By Dr. E. Finley Carter,* President, Stanford Research Institute, 
Menlo Park, California

The steel industry is indicted for betting the lowest R/D allocation of 
any heavy industry, and blantly advised to spend a lot more 
money on research over the next decade. Touted thus by those who criticize, the distinguished research head out-
lines the serious problems which annually threaten the industry and deliners that the response has been to lose it and characterize it as "staid" and "old." In addition to scientific re-
search in metallurgy and process developments, Dr. Carter urges more research be devoted to using new products, to customer relations, labor-management relations, and the entire field of steel behavior which can't resist change or look back-
ward instead of ahead, he warns in recommissioning steel where to go and applying research to achieve the kind of a future desired.

Steel is everybody's business because we are all so dependent on it. Our civilization may be 
rocked on rock, but certainly it has been built by steel. Without it, our skyscrapers, railroads, 
appliances, cars, and thousands of other features of our civilization would be impossible. Our national 
economy is closely linked to the ups and downs of the steel industry. Steel touches every facet of our liv-
es—more than any other product.

But I do not wish to describe the past, nor even the present. Instead, I prefer to discuss re-
search—about what it means to the steel industry, and what the nation, and how we can most effec-
tively meet the research needs that lie ahead.

I was reading, Newsweek, not so long ago, and I came across an ar-
ticle in the business section enti-
titled "Disappointed — But Not 
Despairing." In it I read of a committee perhaps have seen it. The article discussed the current state of affairs in the steel industry, and how to get there. It said me about particularly was the lead sentence. It read:

"In the steel old steel industry, it has seemed this year as though the old values and the old customs are melting clean away."

Images that I had never thought of the steel industry as either staid or old. Is this the indus-
try's image of itself, or is it rather the image projected of it? Perhaps it is the image conveyed—to perhaps only a few people, but among them jour-
nalists who write for important publications? In either case, it is a most unfortunate occurrence. Perhaps it was once true in Great Britain, but I understand that they have done a pretty impres-
sive job of modernizing plant since the war. And certainly it could not be said of Germany, France, Japan, or Italy. What about the Soviet Union and Red China? And the newly-developing countries who want steel mills so badly that they sometimes seem to be willing to mortgage their souls in order to get them? Do they consider the steel industry staid or old? I hardly think so.

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*Column not available this week.

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SPREADING MORE SECRETS

It is not one of the most valuable, simple, and accessible techniques for solving problems, but one that is often neglected by the "signal" market. One need refer to the number of "How-To" books which, conforming to the crooked economy, always peak out during the bull market's final phase, or the book that has been on the best-seller list the longest. (The reason for the latter does not pertain to the success of the book, but to the length of the list.)

The next arrival in the Beat-the-Market family appears to "solve the problem" via compromise between the impersonal laying on of profits by market systems, and the How I Dunnit Myself variety. Trys title: "How to Beat the Market at Any Price," (Prentice-Hall, Inc., Englewood Cliffs, N. J., 1926, pp. $4.50), it transfers the procedures of the person boastful millimansing from the author to the Who, 10,000,000 of his inner sanctum, with echoing testimonials from them as to how they got to do it.

"From Wall Street to Main Street," for the next few weeks, reads a advertiseement in a quiet book-stored took some on of the look by busy broker board room, as it has been carried in for the get the first copies.

This raises the underlying question, for the "secret of the stock market explosion" of the cognoscenti to know, of the type: "Stop talking, the advertisement reads "Schafer's New Book on the Stock Mar k e t Forecasting Secrets", does not per se proportionately contribute the value of the forecasting secrets "secrets" in the stock market game of Musical Chairs, does this not abnormally swell the number of people seeking to scramble for the constant number of available chairs? For Schafer is a "Disciple" (which "aging" theory he has a right to be) of a Joe Clark & Co., organized in 1890, and became a partner in 1843. The combined firm of Schafer & Company, was the leading statistical publishers to the United States, and one of the oldest securities firms in the United States. The foundation of the company, and the "Theory Trader," from Indianapolis.

Along with describing some of the volume of events, the heretical faults which are typifying the foolishness that constantly pervade the market community.

"Trend" Worship

As with practically all the High Priests of the Technical Approach, Mr. Schafer relies heavily on alleged discoverability of "The Trend." (Trys title: "How I Helped More Than 10,000 Investors to Profit in the Stock Market," due to the advertisement." Schafer's New Book on the Stock Market Forecasting Secrets", does not per se proportionately contribute the value of the forecasting secrets "secrets" in the stock market game of Musical Chairs, does this not abnormally swell the number of people seeking to scramble for the constant number of available chairs? For Schafer is a "Disciple" (which "aging" theory he has a right to be) of a Joe Clark & Co., organized in 1890, and became a partner in 1843. The combined firm of Schafer & Company, was the leading statistical publishers to the United States, and one of the oldest securities firms in the United States. The foundation of the company, and the "Theory Trader," from Indianapolis.

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The State of TRADE and INDUSTRY

Prospects for keeping the adjust- ment going in government defense, and promoting an upturn in 1961 appear favorably influenced by the in- timation of a positive approach to the future, as phased in the November meeting of the Board. St. Louis Fed in its bi-monthly review, Business in Brief:

"In the present situation it is important to recognize the tautities which always surround a change in the national administra- tion," the report states. "The action by President-elect Kennedy to develop programs that will contribute to prosperity and growth, while maintaining price stability, would go far towards assuring confi- dence."

At the moment it is impossible to tell precisely what programs of an economic character the Ken- nedy administration will embrace. But in view of the three responsibilities that the nation con- fronts - the recovery process and the need for new and increased policies adopted will build on America's vast strength by in- taining the integrity of the dollar and encouraging the increase in investment necessary for substan- tial economic progress, the review says.

Most of the significant business indicators have moved moderately downward since July, the Chase Manhattan review reports, listing these four:

* Gross national product in constant dollars dropped from an ac- tual rate of $505 billion in the second quarter to $501.6 billion in the third, a decline of seven- tenths of 1%.
* The index of industrial production is off from 110 in July to 107 in October, a decrease that is duc- able and non-durable goods has turned down.
* The unemployment rate, sec- ondarily adjusted, rose from 4.8% in 6.4% in October, while employment has been on the decline.
* Housing starts have been well below last year. The Commerce Department estimate for October was a whole has been seen down to 1,250,000 units being build below the near record level of 1959. At the same time, Business in Brief stresses "new signs are in view:"
  * The money supply has been in- creasing since May. The greater availability of funds at lower inter- est rates can help moderate the over-all adjustment and provide a basis for a subsequent revival of business activity.
  * Government purchases of goods and services are rising. New or- ders for defense items more than offset declines in private orders for durable goods in August and September.
  * Retail sales picked up in Octo- ber, in part because of a vigorous sell-off of 1960 model cars. Yet this strength at retail can be an important factor in the recovery in a period of inventory adjustment.

Preliminary signs point to the possibility that the adjustment in business expenditures for new plant and equipment will be more moderate than in earlier post-war periods. The capacity in expanding capacity in 1959 and 1960 has not been to be favorable factor in 1961.

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The early summer the tax-exempt bond market has varied in security and maturity, and it has actually fluctuated very little as measured by the various issues coming to market. On Aug. 17, the inv. group indicated yield, according to our Index, was 3.35%, and it seems hundreds away from the current fluctuation.

The tone of the market for Treasury issues has shown some slightly upward change will have our past several sessions. Regardless of this, high grade corporals, and issues have been drifting lower recently and there have been some ominously dispelled immediate interest on the part of the buyers. The market for the week ending May 6, of the Northern States Power is still active, and the yields to the municipal bond market has been stable and very low. The market for the low rate bond market, due partly to a lesser new issue supply and public reaction to the current tax-exempt bond exchanges for the public, has been rather buoyant.

Recent sharp increase in free reserves, and the expectations deriving from the political spheres have made the yield to the dynamic bond market projected by market leaders to the benefit of the public generally, and investors particularly, comprehending the present situation in our stable unbalance of interest in the field there is surely little likelihood of an upward bond market movement despite the current bullish bull, as solicited. In municipal the bonds respond from new interest, and the prospects are further unrealistic commitments as a reason to support the interest imposed by the early new year's expectations.

About the Port Authority
We have often expressed admiration for the splendid over-all accomplishments of the Port Authority of New York Authority. In our area's development the Port Authority's scb-committee investigation has not altered our opinion. We are driven with its various organizations, far from being unrealistic commitments as a reason to support the interest imposed by the early new year's expectations.

MARKET ON REPRESENTATIVE SERIES

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Banks Must Regain Role
As Private Credit Suppliers

By Dr. E. Sherman Adams,* President, The First National City Bank of New York, New York City

Though earnings this year will reach record levels, Dr. Adams perceives a definite future for banking in terms of earnings and of maintaining a sound supply of short-term credit. The former banking association economist who recently became a banker says we've reached a point where there's little justification for the Federal Reserve to shrink the money supply further when it really is in a shifting into other highly liquid assets. Remedial suggestions made by him during the current period, in the use of non-monetary facilities instead of money supply control, should evolve into an operational and ways to build up demand time deposits. Dr. Adams claims excessively liquid banks are beginning to feel the strain of the banking system, and substantial changes have occurred in business and consumer liquidity position, which necessitate a faster bank deposit growth and a less of further contracting banking.

If you like dealing with chal-lenging problems, then banking is where you should be. For this is the kind of business that will be full of: chal-lenges of all sorts and vari-eties, especially big ones.

One reason is that there is a new and becoming so more so than it was 20 years ago. We have reaped the benefits of the New Deal, and many of these benefits have yet to be realized. Hence, we seldom see the bank deposit time balances growing at the same pace as the whole of the system.

Nevertheless, the popularity of bank deposits versus other liquid assets has been fast increasing over the past 20 years. To what can we attribute this? To the increasing liquid asset balances. Far more liquid assets will, therefore, be used in the coming decade.

This poses some tough problems. Can the liquid assets be increased? Of course, if by what is meant a reasonable amount. A large portion of banks' remaining assets must be in loans consisting of untouchable legal reserves and untouchable legal securities. If deposit expansion continues to lag, the commercial banks will not be able to play their role as the lender of last resort. They have in recent years in meeting private demand deposits.

Think of the implications for bank earnings. Since 1940 the trend of bank operating expenses has been inextorquely upward—up almost 10% per year. But now this has been offset largely by two strongly desirable changes in rates and rapidly expanding loan portfolios. But today these two trends are strongly desirable are changing. It is perfectly plain that bank loans and deposits have not possibly continue to rise at the pace of recent years. Hence, a squeeze on bank earnings is now in the making.

Yes, we speak of problems. These and more besides. So be it. It's a fact of life and we do some pondering about them. And don't forget, for example, if we can, to search out the essential.

How Much Growth?

By way of background, let us consider how the environment in which banking will be operating. First, what will the economy grow? Second, what is likely to happen to the level of prices?

There are two questions on which there is some several schools of thought— not to mention a few kindergarten. Nevertheless, I think there are some useful generalizations we can make regarding this with a reasonable degree of confidence.

As for growth, the over-opti-mistic expectations with which so many authors greeted the 1960's have been considerably deflated in recent months. So far the Six-ties haven't even gotten off their launching pad. This is disappointing but hardly cause for despair. There are still excellent reasons for expecting substantial growth in the American economy over the coming years. Our labor force is expanding; technology is advancing rapidly; and we are generating a large volume of savings and investments. What is more, we have an unconditional guarantee from Cupid himself that there will be a record number of new families formed over the next decade.

It is significant that the fastening of a growing economy will become a major objective of public policy; and in view of the Soviet menace, it will doubtless continue to be for many years to come. How much influence this will have on the rate of growth remains to be seen. If well con-ceived, governmental policies clearly can encourage growth, but if poorly conceived, they may do just the opposite. My own belief is that, despite some mistakes, governmental concern with economic growth should prove of balance to be beneficial.

How Much Inflation?

What about inflation? Is this demon dead or only dormant? On the one hand expectations of a year ago have been deflated. And here too we should avoid swerving to the op-posite extreme. The danger of creeping inflation in the American economy has by no means disappeared. Federal fiscal policies and the wage-price spiral still constitute a threat to the stability of the dollar. We cannot afford to relax our vigilance toward these dangers.

On the other hand, the strong inflationary pressures produced by World War II and the Korean War have now run their course. In their absence, we are now able to achieve reasonable price stabilization. With one blow, however, we have broken the balance of payments problem hanging over our head, and the sword of Damocles sharply re-mind us of the penalties of inflation.

The outlook, then, is for a reasonably stable price level and for substantial economic growth. This expansion will naturally generate large demands for credit. It will also mean an increase in the public's holdings of liquid assets— money and near-monies, ranging from Treasury bills to savings and loan shares. The extent to which the banks will be able to share in this future credit needs will depend upon how large this increase in liquid assets is and how it is divided as between bank deposits and money substi-tutes.

So the key question is: What is the outlook for bank deposits? Briefly, whither money?

Four Categories of Deposits

It has been suggested that money is becoming the proximate credit card, and if present trends continue we may run out of poor people. But even granting that credit cards may have a glorious future, money is not likely to be come obsolete. Nevertheless, the public in recent years shown a strong preference for near-monies over bank deposits.

The chief reason, of course, has been the recovery of interest rates to more normal levels. This change is in all probability permanent, and we should bear this constantly in mind in analyzing the future of bank deposits.

Ordinarily, we talk about two main classes of bank deposits: demand and time. Instead, for purposes of this analysis, I should like to suggest a different, four-way breakdown based upon the needs and motives of depositors rather than the traditions of banking.

(1) Purpose Savings—Demand de-posits maintained because their owners regard them as necessary, either as working cash or as com-penating balances.

(2) Purpose Savings—Personal savings accumulated in compar-atively small amounts for special purposes: rainy day reserves, vacation money, down payment money.

(3) Excess Funds—Funds which are not needed as working bal-ances but which could be either deposited with banks or used in the short-term money market.

(4) Investment Savings—Per-sonal savings which are in excess of Purpose Savings and constitute part of people's permanent invest-ment funds.

This breakdown is obviously unsatisfactory for some purposes. However, it may be helpful in analyzing what has been happen-ing to banking and in appraising the future.

For example, it clear to see that over the past 15 years, bank deposits have come increasingly to consist of Purpose Cash and Purpose Savings. Years ago a large part of our deposits consisted of Excess Funds and even a goodly amount of Investment Savings. Today commercial banks are no longer competing effectively for these types of funds and they have now receded to a level of background.

Now the question is: What does the future hold for each of these four categories of deposits? First, about What purpose Cash—needed checking accounts, the specialty of the commercial banks?

More Work and Less Balance

As our economy grows, it would seem reasonable to expect that the needs of both business firms and individuals for working bal-ances should grow too. Also, as banks' share of this income, an increasing propor-tion of the population can afford to establish checking ac-counts. Far more important is the fact that over the coming decades many people already using checking accounts will be moving up the income scale. These latter personal checking accounts should be a proven potential over the coming years.

These are counseling thoughts and we should cherish them. Unfortunately, however, they require some amendment.

One unamendable conclusion is that banking, always a laborious business, of corporate has been rising much more slowly than the volume of business.
Dealers-Broker
Investment Literature and Recommendations

It is understood that the firms mentioned will be pleased to send interested parties the following literature:


Bank Credit Analysis—Monthly appraisal of economic conditions in the U. S. A. as they affect business and industry. Bank Credit Analysts, 680 Sher- brooke Street, West, Montreal 2, Canada—$100 per year.

Bank Stocks—Quarterly review—M. A. Schenker Co., 10 Wall Street, New York 5, N. Y.

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


Common Stock Comparisons—Comparative figures on Canadian issues—Equitable Brokers Limited, 69 Bay Street, Toronto 1, Ont., Canada.

Depressed Stocks—B. & P. Power, Utilities & American Stock Exchange—Broadway, New York 5, N. Y. Also available are studies on American Bankruptcy Supply Corporation, General Cable Corp, General Dynamics Corp, and Penick & Ford Ltd.

Depressed Stocks—Bulletin of Walton & Co., 74 Wall St, New York 5, N. Y. Also available is a bulletin on seven speculative stocks—with scientific analysis and a report on North American Aviation, Inc.

Electric Utilities—Survey with particular reference to Niagara Telephone Co., New York 5, N. Y. Also available is a bulletin on seven speculative stocks—with scientific analysis and a report on North American Aviation, Inc.

Fire & Casualty Insurance Indus- tries—Analysis of the Mutual and Stock Companies, 53 Broad Street, New York 15, N. Y.

Foreign Exchange Quotations—Table of shillings and pence quotations on 182 foreign cur- rencies and gold—Commercial Exchange Co., 58 Broad Street, New York 4, N. Y.


Ninety-Day Note—Analysis—Francis A. Place, 24 Wall St., New York 5, N. Y. Also available are data on Long Island Rail Road—Nature of Business and Depressed Stocks—B. & P. Power, Utilities & American Stock Exchange—Broadway, New York 5, N. Y.

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The Commercial and Financial Chronicle ... Thursday, December 8, 1960

DEALERS- BROKER
The Backward Art of Stockholder Communication

By Dr. Ira U. Calabeg, Enterprise Economist

This article is the result and the end production of a series of articles in which I have endeavored to explain some of the subtleties and articles which I have undertaken to explain some of the subtleties and complexities of financial markets. The series has been accompanied by a number of charts and tables, and the text of this article is intended to provide a summary of the main points made in the series.

In general people sell stock (1) without knowing that they are losing more than they are earning, (2) on the basis of fear or hope, (3) in an ambition to acquire or lose money, (4) to avoid having to pay taxes, (5) to avoid having to pay dividends, (6) to pay off debts, (7) to get out of a bad situation, or (8) to make a quick profit. In this respect it is important to note that the purchase of a stock is not necessarily an investment, but rather a form of gambling. The purchase of a stock is more likely to result in a loss than in a profit, and it is important to understand this before investing in the stock market.

Among the reasons people give for selling a stock are (1) the desire to get rid of a bad investment, (2) the desire to get rid of a good investment, (3) the desire to get rid of a stock that is not worth holding, (4) the desire to get rid of a stock that is too risky, (5) the desire to get rid of a stock that is too expensive, or (6) the desire to get rid of a stock that is too difficult to sell. It is important to understand these reasons before deciding whether or not to sell a stock.

The decision to sell a stock should be based on the specific circumstances of the investor, and should be made after careful consideration of all the factors involved. It is important to remember that the purchase of a stock is a long-term investment, and that it may take several years before the stock will begin to pay dividends. It is also important to remember that the purchase of a stock is not necessarily a profitable investment, and that it may result in a loss.

Therefore, it is important to understand the reasons for selling a stock, and to make a decision based on the specific circumstances of the investor. It is also important to remember that the purchase of a stock is a long-term investment, and that it may take several years before the stock will begin to pay dividends. It is also important to remember that the purchase of a stock is not necessarily a profitable investment, and that it may result in a loss.
Our Gold Reserve Ratio

By Walter E. Spahr, Executive Vice-President, Economists' National Commercial Bank, New York City

Factual analysis is made (1) of our present gold reserve ratio to non-gold money and bank deposits, (2) of our past ratio experience, and (3) of what the ratio would be if the present Federal Reserve surplus were to be diminished by liquidating our gold deposits—were exhausted, (4) of how a low ratio safe for redemp-
tion can go without deflating Federal Reserve and member bank credit, (5) of the restrictions that would be necessary, and (6) how to avoid the latter. Dr. Spahr outlines what should and should not be done; points out that redemption must come in the aftermath of gold; and asks if we are willing to institute without delay the necessary corrections to save our dollar.

The Present Ratio

The ratio of U.S. Treasury gold stock to all non-gold money and bank deposits was 6.8% as of Oct. 26, 1960. Nongold money and bank deposits com-
prise deposits and notes of Federal Reserve banks, net demand and time de-
posits of all other banks, and Treasury currency outstanding.

Comparison

With 1913-1922

During the period 1913-
1922 the range (average monthly) was from 0.7% in 1913 to 4.4% in 1917. The average of the yearly ratios for the period 1915-
1919 was 3.3%.

In 1920, when the ratio of our monetary gold stock was down to 1.7% (average monthly), eight of the 12 Federal Reserve banks were paying interest on bank deposits because of deficient reserves. Some of the principal restrictions which were imposed on Member banks were reduced by May, 1921, to 6% and 7% to permit the re-
duction of the required ratio to approximately 4.8%.

In 1923, the ratio was 6.0% (average monthly), but it was raised to 6.3% in April, 1924, in connection with the War Emergency Bank, and to 7.0% in December, 1924, in connection with the War Reserve Bank. A partial con-
sequence was the economic contraction which set in April, 1921, as measured by the Board's index of production in basic industries, and a fall in prices from May, 1920, to June, 1921, as measured by the Board's index of wholesale prices.

With a gold stock ratio of 6.8% as of Nov. 30, 1960, the Federal Reserve banks had a relatively moderate reserve of $6,113-
600,000. This would (theoretically) mean that we had $34,452,000,000 of gold, as against $45,909,000,000 of nongold money and bank deposits. To be reduced to the required minimum 25%, if this possible expansion of our gold credit were to be set to work, the gold reserve would have to be increased at least $26,000,000,000, or 4.7% of the current gold stock. The only way to do this in the aftermath of gold would be to permit the redemption of an extraordinary number of Federal Reserve notes, only a fraction of which could be sold for a gold purchase at a ratio of 1 ounce of gold to $42.292.

The most convenient way to reduce our gold stock would be to sell gold bullion at a higher price. This would permit the gold reserve to be reduced to 7.6%. The gold stock would then be $5,842,000,000, or the equivalent of the gold reserve held during June, 1913, and which could be used to finance the entire Federal Reserve note circulation. It would also serve our present need. It would serve as a second reserve asset for the emergency in the aftermath of gold. A 7.6% ratio of gold would not necessitate the redemption of any Federal Reserve notes, but would have to be accompanied by a reduction in Treasury currency, as well as by Federal Reserve note redemptions, in order to keep the gold ratio at the lower level. A 7.6% ratio would place us in the position which prevailed in France during the 1920's and 1930's, where the gold ratio was 10.0%.

For the first day of redemption in New York, Jan. 1, 1913, the gold stock was presented for paper money and Federal Reserve notes at the rate of $42.292 an ounce of gold. At the end of three days, reports on the redemption process disapparating as a newsworthy item. Gold redemptions continued for four months and the proceeds from the sale of gold were invested in Treasury bill and 3 month certificates of deposit. This is important because it would permit the Federal Reserve banks to sell the gold to the Treasury at a lower price than the official rate. Federal Reserve note redemptions would continue, and the gold would be sold at a premium, this would permit the Federal Reserve banks to sell the gold to the Treasury at a lower price than the official rate. Federal Reserve note redemptions would continue, and the gold would be sold at a premium, this would permit the Federal Reserve banks to sell the gold to the Treasury at a lower price than the official rate. Federal Reserve note redemptions would continue, and the gold would be sold at a premium, this would permit the Federal Reserve banks to sell the gold to the Treasury at a lower price than the official rate.
Russia's Aggressive Role in World's Petroleum Markets

By Arthur H. Dean, *Partner, Sullivan & Cromwell, Enq., New York City

 Searching appraisal is made of the Soviet bloc's effect upon the world's petroleum markets, and the nature of their activities in the years to come. For the short term the Soviet bloc is expected to increase their exports 50% over the present rate, and China's oil exports, having reached a peak of their production capacity, are running at a rate of about 400,000 barrels a day.

The latter increase is largely accounted for by the commencement of large-scale deliveries of crude oil to Cuba, which started this spring. The 1962 year was in the neighborhood of 61,000 barrels a day.

So, the Soviet bloc has increased its exports by almost 100%, in two years' time, an accomplishment which would have been quite difficult to achieve—that even a good capitalist might have trouble with.

Now, of course, 400,000 barrels a day is a substantial portion of the total world Free World demand for petroleum, and 17.8 million barrels per day. But we are not talking about the significant of these volumes of Soviet exports, but we are talking about the way in which they are delivered.

Well over half of the total Free World consumption of petroleum occurs here in the United States and Canada. And in these two countries, the bulk of Soviet crude oil or products and its petroleum derivatives, as well as a large number of pipe certain of the Soviet bloc, is expected to be supplied by agreements, either direct, or through intermediaries.

In August of this year, the Soviet bloc signed a series of trade agreements with Cuba, and Cuba is expected to receive supplies of Russian petroleum products.

The Soviet has sought to promote their diplomatic relations with the United States and with the rest of the world, and has made agreements to purchase commodities from countries that are in surplus supply. Notable in this category have been Soviet purchases of rice, soybean oil, and other products from the United States. They have also been buying from China, India, the Caribbean, Chilian copper and Icelandic fish.

I mention these few examples of Soviet trade activities which have been motivated in a direct way by agreements, because it is important to remember that the extent of Soviet exports of oil and other products is limited to a very large degree by the political and diplomatic requirements of the Soviet bloc states.

I do not want to imply that the Soviets conduct their foreign trade without regard for Soviet policies, but rather that foreign trade is one of the forces that influence their policies. The Soviet bloc's activities are designed to achieve certain objectives, such as the prevention of war, the promotion of peace, and the establishment of a new world order.

Whether or not the Russians wanted to buy sugar or sell oil for economic reasons, or as a means of gaining political influence, the trade with Cuba has been the most important factor in the development of the Western Hemisphere and to disrupt and change oil futures in the process.

Similarly, Russian efforts to gain a foothold in the Middle East have been marked by trade agreements, and the sale of credit, primarily to the United Arab Republics. Russians have sold their crude oil to Iraq, Iran, Turkey, and Yemen. A striking example of the use of trade for political and other purposes in this area is the recent purchase of an undetermined quantity of oil by the other countries of the Middle East.

Notes Their Competitive Tactics

The striking success of Soviet efforts to increase the volume of their petroleum exports during the recent past can be attributed to their competition to the fact that no national bloc is in a position to match.

By offering its superior as an organ of a totalitarian state, the Soviet bloc is able to offer terms that are attractive to the various Middle East countries and potentially to all oil in the Middle East.

Now, of course, 400,000 barrels a day is a substantial portion of the total world Free World demand for petroleum, and 17.8 million barrels per day. But a clear picture of the significance of these volumes of Soviet exports is seen if we consider them in terms of the demand in the areas to which they are delivered.

We have seen the enormous effect that petroleum has on the economies of the world. The bulk of the world's petroleum is consumed by the United States and Canada, and the bulk of the world's petroleum is produced by the Soviet bloc. The two have a symbiotic relationship, and the actions of one affect the other.

The Soviet bloc's actions have been aimed at gaining control of the world's oil resources, and in doing so, they have been able to exert a great deal of influence over the global economy. The US and the Soviet bloc have been in a constant struggle for dominance, and the outcome of this struggle will have a profound impact on the future of the world.

The US has been able to maintain its position as the dominant force in the world, but the Soviet bloc has been able to make significant inroads into the US position. The US has been forced to adapt its policies to the changing world situation, and the Soviet bloc has been able to use its position to its advantage.

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Business Recession Can Be Checked Sans Pump Priming

By Joseph H. Taggart,* Dean, Graduate School of Business Administration, New York University.

Dean Taggart’s analysis of the economy and its principal components convinces him that we are on one of the most important economic depressions of recent history. He predicts that the main force of the recession will be a reduction in consumer spending, which will cause a drop in industrial production and prices.

Analysis of the business outlook can be made in a variety of ways. I propose to discuss the subject under three headings: (1) The Past Record; (2) The Present Situation; and (3) The Outlook.

Regarding the past, the present, and the future, I shall present definite conclusions without the customary "hedge clauses" and ifs, ands, buts—which may come from an individual who speaks in his own words, not from an expert who speaks in a group's words.

The Past Record

The "study of history," writes John Steinbeck, "while it does not endow with prophecy, may indicate the history of the future, and the point, as far as the part of the world to which I belong is concerned, is to get a right set to the certain qualification of history, as far as a fourth and last section of this paper.

The Present Situation

December 8, 1959

$2,000,000.00  KAPAC ELECTRO-PHYSICS, INC.

5 3/4% Convertible Debentures and Common Stock

Electro-Science Investors, Inc.

A Federal Licensee Under the Small Business Investment Act of 1958

270 South Central Expressway, Richardson, Texas

The Commercial and Financial Chronicle . . . Thursday, December 8, 1960

The FRB index dropped three jumps during the country’s move from the third quarter declined. Inventories in production were reduced by the year’s end. Generating power was increased by the introduction of new capacity, including, in conclusion. There will be a continued growth in the expenditures of state and local governments at the ratio of increase of some $3 billion a year. In the consumer sector spending for non-durable goods will continue to rise. Expenditures on durables will be more limited, however, at a faster rate than those on non-durable goods. The result of longer-run growth for the economy are the changes in the population, the structure of industry, and the rapid advance in productivity. At the very end of my paper, I shall have more to say about longer-run considerations.

Doubling Forces. In doubtful times, there are other elements. Among consumer durable, the great automobile industry is in a position of strength. It seems dubious that automobile sales will go much higher than a year ago and quite possible that inventories will prove excessive. Appliances are in a position of strength for any near-term improvement in the economic climate. Inventories of new household goods are dwindled by the massive building program of the administration that in turn has been curtailed. It is now the second month of the prediction of the recession. The economic climate of the summer has not improved. Heavy industry has not recovered. The steel industry has not raised its operating rate, although market has seemed to be a certain 38%.

In the case of the Federal Reserve authorities took further steps toward increasing the lending and credit facilities of the Federal Reserve system by eliminating the differ- ence in the rate charged to commercial banks and City and Reserve City Banks, as well as issuing allvault bonds to be used in making these changes will provide assistance in the form of general credit. There should also serve to build anti- recession resources. Nevertheless, as of Nov. 9, 1959, I cannot discuss other than an increase in the rate or 4% to 3%.

The Business Outlook

So let us turn to the Outlook for the economy in the year ahead. We do not dwell on the possible difficulties of the year ahead. We look toward a year of technological and political economic position and economic relationship. These are familiar. We are not subject to the so-called discipline of the balance-of-payments and, to an extent, limits the range of our judgment. Developments in the cold war, whether in Africa, Latin America, South America, or the Middle East have marked effect on the domestic economic climate. We now consume some 9% of our total national income at a high level of foreign economic and military aid and defense expenditures, in our analysis of basic reason for our continued confidence in the continued factors affect, and to an extent, determine the business outlook. I would like to say a few words regarding the program of the new Administration. This would have a pronounced effect on the economy.

To begin with, I think it is certain that the Democratic Administration will do a better job of economic area. I do not envision a New Deal, nor do I naively imagine the promises of the campaign will or can be realized, I do think that the new Administration would be true, whichever party wins.

Positive Forces, We find as prospects for the future. Federal spending by the new Administration will be more for defense and almost certainly somewhat less for social programs, especially, in conclusion. There will be a continued growth in the expenditures of state and local governments at the ratio of increase of some $3 billion a year. In the consumer sector spending for non-durable goods will continue to rise. Expenditures on durables will be more limited, however, at a faster rate than those on non-durable goods. The result of longer-run growth for the economy are the changes in the population, the structure of industry, and the rapid advance in productivity. At the very end of my paper, I shall have more to say about longer-run considerations.

Moderate Recession Until Mid-1961

Under present conditions of overcapacity and declining margins, there is little incentive for companies to expand. In the export sector there seems a strong indication that the economy will be partly because of a slowing down of the European growth and partly because of intensifying competition. The combination of weak, and doubtful factors will make the rest of 1960 weak, does not indicate the beginning of a new trend of unemployment. At pres-
ent, 5.7% of the labor force is unemployed and the number of hours worked per week is increasing.

What, then, is ahead for business? It is my opinion that the recession will continue for the next eighteen to twenty-four months. The key is based on the greater strength of the negative supply situation than those which are positive. In other words, the Federal Reserve Bank index of production and the Gross National Product is likely to be below the levels of 1961. Although I am sure that the new Administration will have a program of stimulating the economy, getting it out of recession and to set it up on a program of long-term growth, this will take time. I feel that there is little that the Executive can do for the sake of the Congress. Thus, for the short run, that is, roughly through the first half of the year, my prophecy is a moderate recession. In terms of a peak to trough decline of industrial production, I envisage something at the neighborhood of 10%. In terms of 1960 versus 1961, I would expect the year 1962 to appear as a whole, but the second half of 1961 should be a little better in the economy and in business based on increased government expenditures. People are putting their money into government bonds in order to push consumer spending on food, rent, and luxury goods. There will also be the stimulating effects of higher incomes, higher government spending, and special measures taken by the government to stimulate the growth of the economy.

Finally, I'd like to add a few qualifications as promised at the outset of this paper. Obviously entrepreneurs and economists can vitiate any forecast. Obviously, one economic factor might be able to push through measures of the economic "inertive type" which would turn the economy up earlier and more strongly. However, it will require a belief in the inevitability of a peak, my increased spending by both business and consumers.

Terms Prediction an Optimistic

The fact remains that the economy is essentially sound. No sector of the economy is subject to the danger of weakness. The credit situation has been excellent. The money supply is rising. The economic security of the people, despite the relatively large scale of unemployment, is great and liquid assets at the disposal of business are substantial. But I go back to my definite forecast. I believe it rests on the predictable course for business in the near future. It is that business conditions will be in recession up through the first quarter of 1962 and maybe later. Even that, however, is not an optimist, not a unrealistic, forecast. We in the United States have a changed environment, can bring arrival of the competitive proportions and then can reverse economic growth, we will have done a superb job.

Our Challenging Problem Ahead

Yet, I would call a Pollyanna if we left on this relatively happy note. If we look back to the problems of the 1929-1933 depression, we may have seen a summary just recently by the President's Committee on Economic Development. A report prepared at the Johns Hopkins University for the Committee. The study's conclusions are that the points that the economic growth rate in Russia is too low for the

One Massachusetts Man Comments to Another

By Roger B. Babbit

Financial publicist, commenting on the recent election, says Presi-
dent-elect Kennedy is "a much disappointed man." Mr. Babson recalls Senator Kennedy's campaign speeches stating that if Vice President Nixon were replaced by him, the President would have "a do nothing" De-
gress, and points out that precisely this prospect could confront Mr. Kennedy—unless something unforeseen were to occur abroad.

This is not an article on the election, as such. It is a sequel to a series ofiques, during the past two months. This is a column strictly on the personality of Sen-
ator Kennedy. Being a Massa-
husetts man himself, I can write frankly about him personally at the pres-
ent time.

Senator Kennedy a Disappointed Man

Senator Kennedy is a tremen-
dous worker and very few rich people make such the work which he has personally made to secure this election. His industri-
ous effort started four years ago when he came near getting the nomination for the Vice Presi-
dency on the Democratic ticket. He then laid plans and built up an organization unequalled in any Presidential campaign. The great crowds which he attracted, and his personal advisers, led to believe by his people and his own judgment, that he could win. Who could doubt that our tax laws have aggravated our balance of payments problem? Who can doubt that our building codes are causing our housing market to be tied up? Nobody except the President and First Lady, Iranian, in other words, few people believe that this would be done during the "Kennedy honeymoon," of 100 days.

Although Senator Kennedy is naturally pleased to be elected President and move into the White House next January, yet in his heart he is a much disappointed man. He will have the honor of prestige and being President; but he will have the influence, power and prestige which he expected. He will have to work both in the diplomatic service and at the heart of Governments, and will probably see more than he has ever seen before. After all, this President will have to work both in the diplomatic service and at the heart of Governments, and will probably see more than he has ever seen before. After all, this President will have to work.

Election Was Too Close

Although Senator Kennedy won the election by a majority of the electoral vote, there were these not even unofficially confirmed until very hour after he was declared the winner. He was the highest and lowest appointment was the very close popular vote, which has not yet been officially determined. I will not go into the arguments, but I do wish to make one statement. Although the popular vote in the recent election was a legal status it has a moral influence. It surely will cause Mr. Kennedy to re-examine the Democratic party and the Presi-
dency. His probable program, outlined in the Wall Street Jour-
nal of Nov. 8, page 10. He may not be worthy of what he did in his statements during his cam-
paign, as he be forced to back track on many of them.

There will be less than if he has won with a fair and popular margin and went to work with a mandate from the people. Then, after the tremendously crowds which met him at every city, he is especially disappointed by his failure to capture a ma-
jectory of the popular vote. It will not be very difficult for Congress to pass any radical, program, because the Congress is in the minority. A Congressman has his constituents, and he likes to have his constituents, and he likes to have his constituents in the district. President Kennedy, however, has been asked, "What does your constituents say?"

What of the Future?

Senator Kennedy's campaign speeches said that if Vice Presi-
dent Johnson were replaced by him, the President would have a "do nothing" Congress during the next two years, and perhaps during the next four years. Unless something happens which cannot now be foreseen, the next four years under President Kennedy will likely be a "do nothing" Congress. Hence the great disappointment, disappointment, disappointment, disappointment, disappointment, disappointment! It is going to be a surprise to almost all Democrats. This is why Mr. Kennedy will go into Washington, he will have what by the noticeable absence of "unrestricted franchise" from the people.

Unfortunately, what happens during the next two years or more may be very largely in the hands of Mr. Khrushchev. One cannot tell whether he is serious or merely bluffing about his relations with China and other countries such as Cuba. He surely does not want a nuclear war; on the other hand, he may be replaced by Mr. Molotov, or by someone else either more or less radical than Mr. Khrushchev. On the other hand, he may be replaced by Mr. Molotov, or by someone else to do something in this manner.

Inv. Corp. of Va. to Be NYSE Member

NORFOLK, Va. — William A. Charter will acquire a membership in the New York Stock Exchange Dec. 15, and Investment Corporation of Virginia, 215 East, Main Street, will become an ex-
change member firm. Officers are Mr. Charter, President; C. Wible Grandy, Vice President and Secre-
tary, and W. Gelden Grandy, Vice President, and E. M. Stephens, Jr., Treasurer and Assistant Secretary.

Bacon, Whipple to Admit Partner

Bacon, Weeks & Co., 135 South La Salle Street, members of the New York Stock Exchange, on Jan. 1 will admit Charles H. Mott to partnership.

Baker, Weeks & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, on Jan. 1, will admit Raymond B. Moore to partnership.

Dean Witts Addrs:

Price $2.00 Per Share

Copies of the offering circular may be obtained from the undersigned or other qualified to act as dealers in securities in this State.

New Issue

December 7, 1960

FORD ELECTRONICS CORPORATION

(Not connected with Ford Motor Co.)

Common Stock

(Without Par Value)

Price $2.00 Per Share

Copies of the offering circular may be obtained from the undersigned or other qualified to act as dealers in securities in this State.

Thomas Jay, Winston & Co., Inc. — Pacific Coast Securities Company

Beverly Hills

Raymond Moore & Co. — Kessellman & Co., Inc.

San Francisco

Los Angeles

New York
American Capital Abroad—Its Problems and Profits

By Edmond du Pont, Senior Partner, Francis I. du Pont & Co., New York City

Mr. du Pont analyzes changes in the composition, extent and flow of foreign investments abroad in his firm's December issue of the magazine "Investor's News." It is premature to gauge the effect of the capital outflow upon our own economy, he points out, but some factors are already known for whatever light they may cast as to the amount of competition we may expect — either direct investments here or replacement of exports abroad.

Growth of American corporations' investments abroad has been among the outstanding developments in international finance in recent years. This is particularly true now that the emphasis is shifting to manufacturing rather than raw materials. Over the years a very large share of American foreign investment has gone into petroleum, mining and metals. Canada, Latin America, and the Middle East have been major recipients. But even in Canada an increasing share of the country's nearly half its $10 billion stake in manufacturing, these factors produce is in petroleum, mining and metal products such as wood pulp and aluminum.

More recently, the emphasis has been heavily skewed to manufacturing. And the most notable increase, of course, has been in Western Europe. Since the war, investments in Germany and France. Lesser benefits have been realized in Italy, Netherlands and Switzerland (while, on the other hand, the French, who always seem to be in the money, have been taking their picks in the Philippines and Japan though the yields there still are not impressive).

This buildup, as people who follow such things well know, is both offensive and defensive: to get inside barriers which now restrict our exports and may prove even more attractive in the future; to set up new bases for expansion in major markets where we fear direct exports from this country may be losing out and, perhaps to send manufacturers back to the country.

The effect of all this will have on home industry over the long run is far from clear. Direction and relative direction of new developments is removed by new studies now being completed by the Department of Commerce on our foreign investments abroad.

$30 Billion in Direct Investments

Direct investment of all kinds (including petroleum, mining, and public utilities as well as manufacturing) rose to almost $30 billion in 1959, up from just under $12 billion in 1950. United States manufacturers now hold direct investments with a value of nearly $10 billion in foreign affiliates and subsidiaries, two and a half times what they were in 1950; those in Europe are more than three times as large as in 1950.

Outlays for plant and equipment abroad were $2.1 billion last year, will top $3.1 billion this year, and promise to go still higher in 1961. The value of manufacturers' direct investments, after write-downs, was estimated at $11 billion last year (the largest single year's increase ever recorded).

Foreign manufacturing operations resulted in sales of more than $20 billion last year while earnings topped $1.1 billion (with half the profit being reinvested in the properties).

Our imports of manufactures and semi-manufactures from U.S.-owned factories came to about $1 billion less than one-fourth of our total imports of such products.

Most fears that we are "competing with ourselves" center on the import front. There are a great many classified as cheap-labor or low-cost-of-production areas. Up to now, this hasn't been a problem, though even if it is not we cannot be certain that one will not become one.

Of the billion dollars worth of manufactured and semi-manufactures bought from American-owned factories abroad last year, almost 80% came from Canada. That total was made up mainly of wood pulp, aluminum and newspaper as previously mentioned. About $200 million worth of goods came from American-owned plants in Europe. A very large portion of the figure was composed of automobiles and automotive products — a not unfamiliar situation which Detroit is undertaki ng to do something about.

Worthing Possible Competition

Here are some facts about our investments in Europe that may cast light on that is to be expected in the way of competition: either direct shipments back to the United States or the less direct displacements of U. S. products. This is third line of our analysis.

We increased our direct manufacturing investments in Europe from $92 million in 1950 to more than $2.9 billion in 1959. In recent years, the dominant emphasis has been on additional capacity in the electric machinery (up from $175 million to $474 million), in transportation equipment, dominantly automotive (up from $192 million to $602 million), and in chemicals (up from $74 million to $440 million). Investment in primary metals and electrical machinery in Europe now come to about $725 million.

On the sales side, U. S.-owned plants in Europe rolled up 1959 volume of almost $6 billion in chemicals, $9.4 billion in transportation equipment, and $8.2 billion in each of both electrical and non-electrical machinery.

These manufactured products, also, are the output of all the other ventures in which American industries have invested abroad, rolled up a fairly enormous volume of business — $32 billion in 1957 (the highest total ever) as compiled by the Department of Commerce. Sales from abroad accounted for 50% more manufactures than the comparable products exported from plants in the United States. But the extent to which they actually displaced American exports — and the extent to which they satisfied markets not otherwise available to us — are as unanswerable questions.

Over a period of time, our list of foreign investments will be augmented by large additional amounts. They earned us some $3.3 billion last year, the Commerce Department estimates, while payments to third country owners were about $2.2 billion (the same as in 1957 despite the declining oil revenues).

Meanwhile, we talk of American business in Europe, once wary of American capital, is now learning to do things their way. Some mutual understanding comes of it.

Montgomery, Scott: To Admit Partner

On January 2, Hugh G. Petersen, Jr., will become a partner in Montgomery, Scott & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

Filor, Bullard to Admit Partners

On Jan. 1 Filor, Bullard & Smyth, 25 Broadway, New York City, members of the New York Stock Exchange, will admit Michael J. Dawson and Robert M. Schroeder to partnership.

Garvin, Bantel to Admit Mrs. Seits

On Jan. 1, Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange, admitted Anita E. Scits to partnership. Mrs. Scits is the firm's purchasing agent.

NSSTE

STANOTES

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York (STANY) has elected the following officers for 1961:

President: John S. Barker, Lee Higgins Corp.

First Vice-President: Elbridge H. Smith, Stryker & Brown.

Second Vice-President: S. E. Dawson-Smith, Cruttenden, Podesta & Co.

Secretary: Salvatore J. Rappa, Mergott, Rappa & Co.


The election, presided over by Barney Nienan, of Carl Marks & Co., 1960 President, was held at the Harbor View Club at a meeting held at which over 700 members were present.

Zuckerman Smith To Admit Partners

Zuckerman Smith & Co., 61 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1, will admit Charles R. Alloway, member of the Exchange, in general partnership, and Ruth T. Zuckerman and Lila Degenstein in limited partnership.

Doolin Named Counsel

For B. C. Morton Org.

Boston, Mass. — The appointment of James V. Doolin as house counsel for the B. C. Morton Organization, 121 State Street, was announced by Bernard Carver, President.

Mr. Doolin, a graduate of both Harvard College and the Boston College Law School, has spent the last 11 years as a legal advisor in the investment counseling and mutual fund fields.

Cleveland Analysts to Hear

CLEVELAND, Ohio—Leonard P. Pool, Air Products, Inc., will be speaker at the luncheon meeting of the Cleveland Society of Security Analysts to be held at the Mid-Day Club Dec. 15.

112,500 Shares

TECHNI ELECTRONICS, INC.

COMMON STOCK

(For Sale 500 per Share)

Price $2.00 per Share

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

United Planning Corporation

1180 Raymond Boulevard, Newark 2, N. J. (N.J.) Mail: 4-7237 (N.Y.) Wgris 4-9184

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 offering circular.
Allen T. Lambert has been elected President of The Toronto-Dominion Bank, Toronto, succeeding A. C. Ashforth who has retired after 39 years with the bank but will continue as a Director. At 48, Mr. Lambert is the youngest man in the history of the bank to be elected to the top post. He formerly held the position of Vice-President and General Manager. 

Albert E. Hall, former Assistant General Manager of the bank’s Alberta Division at Edmonton, has been named Assistant General Manager to succeed Mr. Lambert.

The Chase Manhattan Bank, New York, has promoted Jean M. Lindsay and Donald J. MacConnell to Vice-Presidents, George Champion, President, announced yesterday. Both men, who are in the pension trust division of the trust department, are at the bank’s head office.

Mr. Lindsay joined the Chase National Bank in 1937. He was appointed a personal trust officer in 1932 and was promoted to Assistant Vice-President in 1957. Mr. MacConnell, who joined Chase in 1933, was appointed a personal trust officer in 1947 and advanced to Assistant Vice-President in 1953.

Also announced yesterday was the promotion of Louis P. Buglioli, James B. Greene, J. Peter Heesch and John R. Petty to Assistant Vice-Presidents in the international department.

Ernest L. Loser and Howard W. Tadla, who were appointed corporate trust officers, and Howard R. Schultz, who was named electronic engineer.

The Chase Manhattan Bank, New York, N.Y., has appointed Charles P. H. Braun, President of The Kincaid County Savings Bank, Brooklyn, N.Y., to the Bank’s Advisory Committee.

Appointments of Francis X. Reed and Joseph J. Sullivan as Assistant Vice-Presidents and Michael A. Bolling as Secretary of Manufacturers Trust Company, New York, N.Y., were announced by Henry C. Flanagan, Chairman of the Board.

Mr. Bolling, a former Bankers Trust Company, was appointed Assistant Vice-President in 1946.

Mr. Sullivan came to the bank in 1949. Ms. Bolling joined the bank in 1943.

Nello Gombi has been appointed representative in Rome of Manufacturers Trust Company, New York, to succeed Augusto Castellino, who will retire at the year-end. He was announced by H. C. Flanagan, Chairman of the Board, in connection with this appointment, Mr. Gombi has been advanced from Assistant Treasurer to Assistant Vice-President.

At the same time, Mines Commission, representing the manufacturers Trust Company for the Near and Middle East, also appointed Assistant Vice-President. His office likewise is in Rome.

The Hanover Bank, New York, has announced the appointment of David M. Bloodworth, David C. Cates and John J. Kined, personal trust; Richard D. Conington and Howard E. Schur, Rockefeller Center office; William M. Crocker, Jr. and William C. Sayres, out-of-town division; Paul C. Kelly, Chrysler office; Lindsay MacArthur, credit; William F. Ogden, Jr., United Bank, N.Y.; and Lawrence N. Shirer, 43rd Street office.

Appointed Assistant Treasurers were: Ralph Clark, operations research; William H. Davidson, personal trust; Harry C. Day, Rockefeller Center office; Joseph J. Gasparino, banking; Robert Baird, Frank E. Eisner, Earl G. Johnson and George A. Nelson, Jr., personal trust.

Named Assistant Managers were: Richard G. Hardisty, Paul D. Lucas, Addison L. Luce, Jr., Morris B. Proctor and E. Bruce Storms, all in the bank’s foreign department.


The advancement of three officers and the election of eight staff members to new official posts at The Marine Midland Trust Company, New York, have been announced by George C. T. X. Reed, President.

Elected a Vice-President, representing the bank in New England, is Arthur B. Gorham, Jr. Mr. Vervoort was formerly Assistant Vice-President.

Advanced to Assistant Vice-Presidency were former Assistant Treasurer, William A. Gehlhard and Joseph A. Minehan. Mr. Gehlhard is appointed to the bank’s 52nd Street Office and Mr. Minehan, to its Coal & Iron office.

Staff members elevated to new official posts in the departments indicated were: Assistant Secretary, John A. Walker, Personal Trust Department; Assistant Treasurers, Charles A. Amend and William A. Stuart, Commercer; Flane, Fred W. Guss, Real Estate; Alexander M. Gregory, Jr., and William P. Link, Comptrollers; Eugene T. McNir, Personal Loan and Midland Time Plan; and Michael J. Pfeifer, Accounts Receivable.

The J. Henry Schroder Banking Corp., New York, has elected William E. McPhail, Jr. and Charles E. McPhail, Jr., to the Board of Directors.

Bank Leumi le-israel (Hebrew for National Bank of Israel) is mark for $15,000 in U.S. operations here this month.

The Security National Bank of Long Island, Huntington, N.Y., announced that it has advanced Edward Butts, president, from Vice-President of the bank.

The York Trust Company, York, Pa., and The York National Bank and Trust Co., York, Pa., have been consolidated under the title of The York Bank and Trust Company.

Charles L. Ashmore has been elected to the Newport News Board of The Bank of Virginia, Richmond, Va., it was announced by Herbert 0. Bany, President.

The stockholders of the City Bank, N.Y., elected Michael J. McNab, chairman of its board, to succeed Edward J. O’Connell to general partnership in their firm.

Bartow Leeds     Admits O’Connell
Bartow Leeds & Co., 1 Liberty Street, New York City, dealers in U.S. Government and municipal securities, has admitted Edward J. O’Connell to general partnership in their firm.

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 Offering Circular.

NEW ISSUE
December 5, 1966

100,000 Shares

General Automation Corp.

Common Stock
(Per Value $1 per share)

Price $2 per share

Copies of the Offering Circular may be obtained from the undersigned and from such other dealers as may beneficially offer these securities in their state.

Underwriters

Bartower Bros., 63 Wall Street, New York 5, N.Y.

Earl Edden Co., 63 Wall Street, New York 5, N.Y.

Bartow Leeds & Co., 1 Liberty Street, New York City, dealers in bonds and other securities.

A. J. Surette, President.

Offering price $1 Per Share

Underwriters

Kenneth Kass

4 Hanover Square, New York 5, N.Y.

H. S. Simmons & Co., Inc.  B. N. Rubin & Co., Inc.

2 Broadway, New York 4, N.Y.  56 Beaver Street, New York 4, N.Y.

These are 200,000 shares of VACUDYNE ASSOCIATES, INC. Common Stock, (par value 10 cents per share).

All of these shares having been sold, this announcement appears as a matter of record only.

December 6, 1960
BANC AND INSURANCE STOCKS
LEO I. BURRINGTON

This Week—Insurance Stocks

Thus far in 1960 insurance stocks generally continue to outperform industrial stocks as a group. Even though a major catastrophe, last fall had the effect of cooling the insurance market performance of fire-casualty stocks, a buying opportunity was provided the insurance stock investor and many issues have experienced substantial advances. Nor should the underwriting experience of such companies as American Insurers, Home Insurance, and Travelers be overlooked. The share prices have continued to the loss column. Also underwriting losses by Continental Insurance, Glenns Falls Insurance, Massachusetts Bonding and Insurance, National Railroad, and United States Fire in Springfield Fire deepened further during the three-month period. A nine-months' comparison shows that many of the companies, presented in a less profitable underwriting position. This contrasts with only a few companies whose share prices responded owing to the favorable market adjustment or change at midyear 1960 with the six months' 1959 period.

On the brighter side, gains continue for expense control. Progress in this area reflects efficiencies made in internal operations as well as changes in classes of business underwritten. Company experience in any insurance line can differ sharply from the industry's average, increasing in some cases dividends this year, the degree of success in careful selection of risks, market served, control of loss adjustment loss adjustments and expansion of premium volume.

Impressive 1960 gains in net premiums written (sales) are being noted by most of the large companies. Increases by Northern Insurance, Springfield Fire, Actua Casualty and Security-New York stand out. Only merger candidate New Amsterdam Casualty & Commerce, Inc., failed to increase. The dividend 6% increase by Continental Insurance Co. to succeed Charles L. Sticker, who retired, and the election of Mr. M. Hartigan as Assistant Comptroller.

Mr. Hartigan, formerly an Assistant to Mr. M. Hartigan, and subsequently to the staff of Mr. M. Hartigan, is a member of the staff of the College of Insurance.

The public may take an individual admission basis.

The stock market interest this week was centered around a few situations with the general list no gains or losses. The market indications still pointing to much year-end cleanup taking place and are not good.

The markets were broad, trading in volume, despite the presence of a number of well-depressed items in the steel group and the absence of a large move. In selling to new lows for the year.

Food has had some good periods, although the long run was up. The market was higher on buying prior to the election of Pennsylvania Railroad's 9% interest in it after the formalization of Penn- sylvania's Bandenduk connection, a 111-mile connection between the two roads.

In the near future market there is no indication that the market is ready to slip. The outlook is for a slow, but steady rise, and market and maturity is pretty well assured.

The common shares of Nickel puddle steady at around a five point discount from the value of its 30% holding in the Nickel & Western merger proposal. Like other well- depressed railroads, the shares of Nickel & Western look to have a yield in excess of 5%.

Similarly, the 22c offer for a 25c offer has been taken over by the Western Pacific finds the Western Pacific stock in a 2-for-1 position. An under the value of the exchange. In the, Southern Pacific is making a recovery in the thinking among railroad analysts is that the Santa Fe's bid did not look well priced.

A New High Note

The fresh note on the lists of new highs comes in the ownership of a new item—Jonathan Logan. This issue has been publicly held in the market, and its feature, that seems to be attracting the interest of the running around the hunt for acquisitions to expand its lines and add to sales. With the help of recent acquisitions, estimates are that its sales next year will come close to doubling the results posted in 1959. Its income should show a gain of over 50% the 1959, a figure even better than its 49 4/4% yield running well into the 4% bracket.

Cavanaugh Joins Reynolds & Co.

Cavanaugh has joined Reynolds & Co., 39 South La Salle St., as a registered representative of the firm's underwriting department. It was an announcement made by J. W. Fuller, president of the company.

Mr. Cavanaugh was formerly associated with A. Fuller & Co., as partner. He invests the securities business on La Salle Street for the past 34 years.

The MARKET...AND YOU

WALLACE STREET

Yr.-end Tax Forum At New School

Norris Darrell, tax authority and Senior Partner in the law firm of Sullivan and Cromwell, will preside at the New School for Social Research, 66 West 12th Street, New York City on Tuesday, February 4th, at 3:30 p.m. for the annual tax forum. Mr. Darrell will be a guest of the New School course, Managing the Underwriting risk in the business of insurance. The course is conducted by a. Wilford May, Executive Director, Commercial and Financial Chronicle, and Peter L. Bernstein, Vice-President of Bernstein, Inc., consultants to the New School.

The public may attend an individual admission basis.

The market for high grade industrial issues has slumped with the current tax cut and with the upcoming calendar events. The market for General Electric and American Telephone & Telegraph is fairly good, although it did slip last year for any such run.

A Statistical Value Item

The occasional demand for moving averages naturally run out of steam without too much follow-through. Consequently, the trend of stocks, the trend of the market, and the trend of the earnings of the investors remember the struggle company that is in the news, for its stonewall lean 5% in January. Its last red ink year was 1956 and as an indication of the year's press of Industrial News, made both with its "outlook" which is good, and with its other releases plus building up its
PUBLIC UTILITY SECURITIES

By OELY ELLEN

Middle South Utilities, Inc.

Middle South Utilities is one of the nation's leading companies which were set up in the Middle South following the breakup of the big gas systems in the 1920s and 1930s. It was incorporated in 1965 and has been very successful, which had already been serving 45 million customers for over two decades. Middle South Utilities entered Louisiana Power & Light, New Orleans Gas & Electric, Southern Public Service, and Louisiana Gas Service systems. The company uses its electric revenues to build up a reserve fund to be used later if needed. Middle South Utilities is a high-growth, high-cash-flow company.

As a result of this rapid economic growth, Middle South's revenues increased from $100 million in 1960 to $150 million recently. Although the latter figure will be reduced somewhat by the sale of Louisiana Gas Service. The company's electric revenues are significant, which accounted for about 4% of system revenues, were divided to keep stockholders happy.

System capacity has been increased rapidly, both to take care of increasing peak loads and to build up an adequate reserve (the reserve was reduced during 1950-54). At the end of 1955 generating capability was 2,750,000 kw, increased with the annual peak load of 2,250,000 kw, indicating a reserve of 25%. The company will complete two additional plants in 1961 and one of these, the Little Gypsys, will be the world's first plant capable of full automation. The next unit will be installed in 1963.

The company construction program for 1960 approximates $81 million. To finance this and repay bank loans, subsidiaries sold $27,000,000 bonds earlier this year, and in April the parent company sold 650,000 shares of common stock at $35 per share for $22,500,000, or around 34%, and has remained within a range of 34-36% of its price.

Middle South's consolidated earnings per share did not show any rapid progress until recent years. Due to regulatory problems in Arkansas, share earnings were over $1.03 in 1955 to $1.05 in 1956, then dropped to $0.95 in 1957. But in 1958, however, earnings have increased steadily to an estimated $1.40 for 1959, an actual increase of over 9% compared to 1958. The increase from 55 cents in 1959 to current $1.05 per share is the common stock comes from the low of 7% in 1960 to the 1969 high of 33; the stock has made new highs in each of the past four years.

The year 1959 established a record for the construction of new and expanded industries in the area, and have continued satisfactorily in this respect. Electric heating is being actively promoted in Arkansas and Louisiana, both resistance types and the heat pump; in Louisiana, however, the low cost of gas for house heating makes it too competitive. The company expects to maintain an annual rate of gain of 7% to 8% on its revenues in the near future.

During the first ten months of 1959, the average retail sales helped the residential growing—kw hours sold up 17% and by 11%. Public utility system sales also gained over 9%. However, due to the cutback in operations of the Reynolds Alumini plant, plant kw sales were down nearly 9%; revenues were partially protected by the Reynolds control, and showed an over-all gain of 2%.

Nineteen-sixty-one earnings will be affected somewhat more by the Montana situation, since the plant was recently closed down. The current period shows industry conditions in the industry show improvement. The credit for interest on construction will also be somewhat lower, and there may be some temporary loss of income when the sale of the Louisiana Gas Service. The current stock is selling around $10 to $12 per share, price-earnings ratio approximates 24-27.

New With Irving Lundborg

(Special to The Financial Chronicle)

SACRAMENTO, Calif. — Richard R. Baldy is now associated with Irving Lundborg & Co., 928 J Street, as consulting. He was formerly with Mitchell & Tempest, San Francisco.

Blyth Adds to Staff

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — John R. Stuppin is now affiliated with Blyth & Co., Inc., Russ Building. He was formerly with Walston & Co., Inc.

Join Hutton Staff

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — William A. Crump has joined the firm of P. E. Hutton & Co., 100 Montgomery Street. He was formerly with P. E. Hutton & Co., Inc., incorporated.

IBA to Study Inv.

Banking Business

The Investment Bankers Association of America will sponsor a comprehensive study of the investment banking industry, announced James J. Lee of E. Hutton & Co., New York, outgoing President of the Association. Sponsorship of the project was approved by delegates to the 49th Annual Convention of the Association.

Such a complete survey has never before been made and the three-year study should provide much information of interest not only to investment bankers, but also to educational institutions throughout the country. It will be conducted by the Wharton School of Finance and Commerce, University of Pennsylvania, under the direction of Prof. Irwin Friend.

The $150,000 project will be financed by a special assessment upon the members firms of the Association. Further details on the precise nature and scope of the study will be announced at a later date.

Join Training Course

Of Fusz-Schmelze

ST. LOUIS, Mo. — Three women are in training to become registered salesmen at Fusz-Schmelze & Co., 322 Olive Street, members of the New York Stock Exchange.

They are Mrs. Meta Thieltzle, Miss Eunice Draveneck and Mrs. Mary Huchermacher.

Richard A. Schmelze, Vice-President and Director of Training of Fusz-Schmelze and Co. said his firm believes women can play a more dominant role in the investment world any year.

The three women are part of a group of eight men and women currently being trained by Fusz-Schmelze & Co. The firm recently opened new offices, specially designed and equipped for women investors, at 522 Olive Street in St. Louis.

With Townsend, Danby

BOSTON, Mass. — Pauline M. Belouer has joined the staff of Townsend, Danby & Tynan, 30 State Street, members of The New York and Boston Stock Exchanges.

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December 7, 1960

NAC CHARGE PLAN & NORTHERN ACCEPTANCE CORPORATION

CLASS A COMMON STOCK

(Par Value $1.00 Per Share)

Offering Price $50.00 Per Share

Copies of the Offering Circular may be obtained from the undersigned only in such States as the undersigned may lawfully offer the securities.

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December 7, 1960

S & D CO.

BELLEMAH, MEUHAUSER & BARRETT

UNITED SECURITIES CO.

STIRLING & COMPANY, INC.
Some Recent Changes in Forward Exchange Practices

By Paul Kinsó*

The death of the fixed exchange rate system in the postwar world is one of the most significant and far-reaching changes of the last two decades. But in the months leading up to that event, the boundaries of the postwar system were gradually and progressively eroded. This is the story of some of these changes, which will appear in the author's forthcoming book, "A Dynamic Theory of Forward Exchange." It was published in 1981 by Macmillan & Co., London, and the Commercial and Financial Chronicle, which will appear in the near future.

The resumption of free foreign exchange dealings in London and other major centers has been followed by a broadening of the range of alternative interest of available foreign exchange. The disappearance of the SterlingBloc has led to increased participation of foreign exchange. A number of interesting and important articles have appeared in recent months, both in American and European journals, and the topic will be discussed at length in the book. The book is available for sale.

The importance of the new forward transactions has increased considerably. (1) It is now possible to cover transactions for very large amounts, and even for a period of up to four years. (2) Profit margins on arbitrage transactions have declined. (3) Profit margins on transactions have been reduced even further. (4) There has been a great increase in the use of foreign currency deposits (especially "Eurodollars") for swap transactions. (5) The market in forward transactions is now more liquid, and current accounts for interest arbitrage transactions have declined.

The importance of the various changes—the list does not claim to be complete—lies in the fact that these changes have affected the way in which foreign exchange transactions are carried out. (1) The prudential rule, which provides for a minimum profit margin of 2½ percent on all transactions, has been abolished. (2) The importance of hedging operations has greatly increased. (3) The relative importance of speculation by the public has also increased. (4) Banks are now more willing to carry open positions overnight and for more than one day. (5) The proportion of outright forward operations in the market has increased, and the practice of banks to cover forward transactions by spot transactions, which is quite as widespread as before the war, has been much reduced.

The recent changes in the forward exchange market have made it possible for commercial banks to reduce their exposure to risk. This is particularly important for banks which deal in currencies other than their own, and which have to take account of the fact that the interest rates in different countries vary widely. The recent changes have also made it possible for banks to reduce their exposure to risk in the case of currencies other than their own, and which have to take account of the fact that the interest rates in different countries vary widely. The recent changes have also made it possible for banks to reduce their exposure to risk in the case of currencies other than their own, and which have to take account of the fact that the interest rates in different countries vary widely. The recent changes have also made it possible for banks to reduce their exposure to risk in the case of currencies other than their own, and which have to take account of the fact that the interest rates in different countries vary widely.
riles whose proceeds can, at the
time of writing, be sold only in
the foreign exchange markets.

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**Increases Foreign Exchange
Dynamism**

The grand total of actual and
potential occurrences leading to an
increase also through the growing
practise of "cover hedging" —to
cover an indirect risk arising from
future transactions. An American importer of
British cars payable in sterling leaves the
exchange risk uncovered when the
sterling is under a cloud, in the
hope of benefiting by a devaluation.
But once he has paid his
sterling, he has exposed himself to
the risk of a fall in the pound, and
the desirability of securing against it
by a short sale of $200 sterling
stock. Even though this operation
arises from a commercial transac-
tion, it is not covering but hedg-
ing, because it is not self-covering
any more than is a hedging by an
American owner of fixed assets in
Britain. As the business
community tends to become increas-
ingly foreign exchange conscious,
such operations are likely to in-
crease in volume whenever a
currency appears to be under a
cloud.

This increase in the importance of
hedging has further accumu-
lated the dynamism of the for-
ward exchange system. Even pure
speculation is liable to produce
highly disturbing effects, through its
influence on the international
transfer of funds, gold reserves,
interest rates and the volume of
credit in both losing and receiving
countries. But the threat from
pure speculation to hedging has
made the task of defending a
currency much more difficult.
After all, as Sprague rightly
observed, speculative forward
deals are mere bookkeeping entries
designed to be rubbered out
because the speculator does not
possess the currency he had sold, so
that he is perfectly free to
recover his positions whenever
maturity in order to be able
to deliver the currency. It is true, technically
the hedger is in the same position.
But, as I pointed out above, it is
incomparably easier for him to
meet his forward contract without
having to threaten the market,
especially if he is hedging against
a dollar contract.

Speculators may or may not
have assets against which to
borrow, but those engaged in hedging
necessarily possess the assets they
want to hedge. In his very nature,
the speculator is in the same situa-
tion. Nor can the authorities ap-
ply official or unofficial restric-
tions against lending to the
former, from the same extent as
against lending to the speculator, seeing
that the former are entitled to sell out
their positions, and repatriate the
proceeds.

Today the potential weight of
hedging is so great that a single
ing occurrence may be reckoned
in hundreds of millions
of pounds, and if it is neces-
sary to envisage a situation in the
not too distant future in which
this occurred in even a smaller
amount in thousands of millions. It
is true it is not so much a limit to
speculative selling of sterling.
The difference is that when the
forward contracts mature, the
holders are in a position to meet a
much larger demand for funds
owing to delivering spot sterling
they possess.

**Supporting Forward Exchange**

The realization of this differ-
cence between speculation and
hedging is one of the reasons
increasing importance, is liable to in-
fluence the attitude of the authorities
for proposals for unlimited support
to forward sterling against large-
scale advances of Sterling, a
doctrine to afford an equal amount to
or, in the event of decline, re-
serves so long as they were
dealing mainly with speculators, they

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**PICTURE OF TELEPHONE**

**CALLS BEING HANDLED A
REMARKABLE NEW WAY**

Bell System's new Electronic Central Office (now being tested) forecasts a startling variety of useful new telephone services.

The oscilloscope screen above gives you an idea of how telephone calls will some day be handled—electronically—by a remarkable new system.

A screen like this is monitoring experimental Electronic Central Office equipment which we recently began testing in Morris, Illinois. The "pipe" of light you see on the screen represents the system's thought process as it puts calls through, while checking itself constantly for errors.

This test is very significant, because in the future Electronic Central Office will let your telephone do pretty nearly anything you want it to.

For example, you may be able to dial a three-way phone conversation in town—or have your calls automatically transferred to a friend's house where you're spending the evening—or ask the Office to keep a busy number and make the connec-
tion as soon as it's free.

These are just a few of the many services this new switching system may be able to provide.

"It looks in the back of the book"

An engineer at Bell Telephone Labora-
tories uses this comparison to dramatize the difference between the Elec-
tronic Central Office and previous systems:

"Suppose," he says, "that two stu-
dents are trying to find the square root
of 541. One is doing it the hard way,
with his oldfashioned, plain old pencil. The
other just reaches for an engineering
handbook, flips to the right place and
looks up the answer, 23, in the table.
"The Electronic Central Office works
basically the same way. When you
dial a number, it will decide how to con-
nect you by "looking in the back of the
Central Office, always in
which we have stored the answers to
every situation that can possibly arise."
Some Recent Changes in Forward Exchange Practices

Continued from page 19

They feel they can rely upon the maintenance of the gold link.

For it is true that in 1935 a revaluation of the dollar was authorized by the Government, but the British Government would not allow the same revaluation to be made in their currency, overdrawn, but did not hesitate to hold a long-term position in the market, since the two currencies were no longer on a par.

Increased Volume

Average volume of commercial transactions in the market has now doubled since the beginning of 1935. The dollar is no longer regarded as a weak currency, and the speculative buying of gold by banks across the Atlantic has been considerably increased. In addition, the Bank of England has been selling dollars at a premium, and this has had a stimulating effect on the market. As a result, the dollar has gained in strength, and the pound has shown some signs of weakening.

The Choice Is to Defend

The British government is determined to maintain the parity of the dollar with the pound, and it has taken various measures to support the dollar. These include the issuance of new dollar bills, the purchase of gold by the Bank of England, and the restriction of the issue of cheques. As a result, the dollar has gained in strength, and the pound has shown some signs of weakening.

LONDON, England.—British and continental newspapers made a great song and dance about the decline of the American gold dollar, but the British government has been able to withstand the attack. The dollar is still strong, and the pound is showing some signs of weakening. The British government has been able to maintain the parity of the dollar with the pound, and it has taken various measures to support the dollar. These include the issuance of new dollar bills, the purchase of gold by the Bank of England, and the restriction of the issue of cheques. As a result, the dollar has gained in strength, and the pound has shown some signs of weakening.
Half of Overseas Capital Going Into EFTA Area

Chase Manhattan Bank's latest study shows half of our capital outflow going to Europe is destined for European Free Trade Association countries.

United States investors are placing half of their Overseas European capital expenditures for 1960 in the nationalized countries of the European Free Trade Association, the Chase Manhattan Bank says in the current issue of its bi-monthly survey, Report on Western Europe, issued recently.

The chief aim of this seven-nation association—consisting of the United Kingdom, Austria, Denmark, Norway, Portugal, Sweden and Switzerland—is eventually to establish a wider economic association, based on free trade and economic co-operation among independent nations, the publica-

The EFTA nations' total population of 60 million—about half that of the U. S.—represents a large market. Total purchasing power of the EFTA countries is about $120 billion, or almost one-fourth of U. S. output of goods and services. Britain accounts for about two-thirds of EFTA's purchasing power, the survey says.

Great Britain

By far the most important member of the EFTA to U. S. investors is the United Kingdom. More than 90% of U. S. capital invested in the EFTA area is concentrated in Britain—nearly $2.5 billion. The survey says there is, in fact, more U. S. investment in Britain than in the entire six-nation European Common Market, and it is continuing to grow.

The EFTA countries include those with the highest living standards in Europe. On a purchasing power basis, Sweden has the highest per capita production ($1,562). But Britain ($1,495), Switzerland ($1,436), Norway ($1,479) and Denmark ($1,421) also stand well above the average for the Common Market ($1,291), the report stresses.

EFTA may soon have an eighth member. Finland, anxious to maintain its markets in Britain and expand trade with the West, is close to finding a formula of association with the seven nations that does not conflict with its trade agreement with the U. S.

The survey concludes.

Zilka, Smither Adds (special to The Financial Chronicle)

SALEM, Ore.—Harry R. Goeller, Jr. has been added to the staff of Zilka, Smither & Co., Inc., Oregon Building.

Hayden, Stone Adds (special to The Financial Chronicle)

LOS ANGELES, Calif.—Richard T. Feder has been added to the staff of Hayden, Stone & Co., 5607 Wilshire Boulevard. Mr. Feder was previously with J. A. Hogle & Co.

$75 Million of Southern Bell Debts Offered

An underwriting group managed by Morgan Stanley & Co. and including 54 investment firms offered publicly on Dec. 6 a new issue of $750,000,000 of Southern Bell Telephone & Telegraph Co. 5.75% debentures, due Dec. 1, 1997. The price is 102.567%, providing a yield of 4.93% to maturity.

The Morgan Stanley group bought the issue at its competitive sale on Dec. 5 by bidding 101.87% and naming the 5% coupon.

The debentures are not redeemable for five years. On or after Dec. 1, 1965 the issue is callable at prices ranging downward from 103.567% to the principal amount.

The company intends to use about $572,000,000 of the proceeds from the sale to repay advances from its parent company and add the balance to general funds.

Southern Bell, a wholly-owned subsidiary of American Telephone & Telegraph Co., provides telephone service in portions of nine Southern states. On Sept. 30, 1960 the company had 7,115,349 telephones in service.

In the nine months ended Sept. 30, 1960 Southern Bell's total operating revenues were $918,457,000 and total income prior to interest on funded debt and other interest deductions was $102,210,000, compared with $758,077,000 and $85,861,000 respectively, in the similar period of 1959.

The company's Sept. 30, 1960 balance sheet, adjusted to reflect the current sale, indicated capitalization as follows: funded debt of $610,000,000, consisting of $570,000,000 of debentures due 1972-77 and $40,000,000 of capital stock and retained earnings.

With Inv. Co. of N. A. (special to The Financial Chronicle)

COLUMBUS, Ohio—Norris F. Krueger is new with Investment Company of North America, 1500 West Third Avenue. He was formerly with Wagner & Company.

Three With Calif. Investors (special to The Financial Chronicle)

LOS ANGELES, Calif.—Howard A. Burnette, E. L. DuBarry and Robert J. Van Sickle have become associated with California Investors, 3932 Wilshire Boulevard, member of the Pacific Coast Stock Exchange, as registered repre-

NEWS ON TEXACO PROGRESS

From two horses to 200-horsepower

YESTERDAY—“petroleum" was primarily kerosine, the fuel that fed the lamps and cooking stoves of America. Sold by local grocery and hardware merchants, it was delivered to them once a week. It was Texaco that first met the urgent need for twice-weekly deliveries, with its horsedrawn tank wagons. Deals deliveries soon followed.

Today—the chief product of petroleum is gasoline, moved swiftly from storage point to market in giant, modern tank trucks. Today Texaco's fleet of red trucks serves more than 39,000 Texaco dealers stations across the nation. Alert marketing operations, based on service to America's motorists, have contributed to Texaco's continued growth.

TEXACO
MUTUAL FUNDS

ROBERT E. RICH

The Little Internationalists

The curtain is about to descend on a year and a half of turmoil in our economy and securities. European business, which has been generally far better—at least until the fall—in any event, those speckles of growth that were abroad in 1969 had come to constitute a worry in the United States. Time was when only the nimble big-time operators could navigate in the strong streams of Europe. And even they dabbled on a small scale as a general rule, for opportunities were few and the risks were great. Now, thanks to American large boys and by dint of their own hard work, Europeans are enjoying life on an economic level never before known in the Old World. Result: the business opportunities are innumerable and the risks are probably no greater than in the home market.

And, on a scale never before known in all history, a small American investor has acquired a sizable stake in the burgeoning economies of the Continent. Not that the Stateside small fry know much more about European commerce and markets than their fathers and grandfathers knew of the New World and the dollars in the markets of London, Paris, Zurich, Milan and Frankfurt can be traced to the guidance and help provided by mutual fund management.

It's a rare mutual fund these days that doesn't own some European stocks or bonds. It's a rare little investor who wants a real deal in Europe. And the mutual funds have been meeting the needs of the agents of expertise, through

NATIONAL STOCK SERIES

is a mutual fund which provides an investor with a diversified group of corporate stocks selected for currency, interest rate, and political currency forProfit and domestic diversification

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Capital Gains Distributions

Dividends and Distributions payable

on record of 4:30 p.m. of

24 Federal Street

PROVIDED THAT INVESTORS ARE NOT SUBJECT TO TAXATION OR OTHER TAXES

To Form Goldsmith

Adler & Co.

Goldsmith, Adler & Co., members of the New York Stock Exchange, will locate offices at 72 Wall Street, New York City. Partners will be Joseph Goldsmith, Managing Partner and Treasurer; and Richard M. Adler.

Reinert & Co. to Be Formed in N.Y.C.

Reinert & Co., members of the New York Stock Exchange, will be formed as of Dec. 15 with offices at 44 Wall Street, New York City. Partners will be Jerome S. Reinert, who will acquire an interest in the firm, and Howard Reinert, general partner, and Madeline Reinert and Marilyn Limited, partners.

Harwyn Offers Softal Common

Harwyn Securities, Inc., New York, has announced that it will offer on Nov. 23, 150,000 shares of Softal Inc. 10 cens par common stock as a public offering.

The company has been incorporated under the laws of the State of New Jersey on Jan. 1, 1961, and is engaged in the business of importing, packaging and selling of various cosmetic and pharmaceutical products.

The net proceeds to the company, after deducting expenses estimated to be $20,000, will be used to expand the business.

The company has planned an initial public offering of 10,000,000 shares common stock at a price of $5.00 per share.

The company is authorized to issue 10,000,000 shares of common stock, of which 5,000,000 shares are outstanding.

The common stock will be traded on the American Stock Exchange.

It is expected that the company will use the proceeds of the offering to acquire additional assets and to finance the growth of the business.

With Dempsey-Tegeler

(Same text as previous paragraph)

With Dempsey-Tegeler & Co., 210 West Seventeenth Street, Boston, will be formed with Mitchell, Jones & Tempeleton.

Joins Evans MacCormack

(Same text as previous paragraph)

Balding Admits

PORTSMOUTH, Va.—Northeast T. Pearse has been admitted to general partnership with James W. Balding, Jr. in Balding & Co., 525 High Street.

The Commercial and Financial Chronicle . . . Thursday, December 8, 1960
Outlook for Stock Market: Issues Currently Attractive

Continued from page 1

same period, yet cigarette stocks were up 18.8% and beer stocks averages were off 17% from Aug- uste to October, but soft drink stocks and cosmetics were up 15.1% and 13.8%. The Dow Industrials, which averages 80 points from their August top to the 565 level, clearly shows you the rise in many of the key areas of the economy, and the Dow's drop has been primarily driven by negative profit margins for the many stock market sectors that have witnessed price discounts in recent months. In fact, the Dow's loss of 18.8% in the past year is the same as the overall drop for the Dow's 80 stocks.

As a result, stocks will continue to underperform in many areas. For example, the consumer goods area is not doing well, with many companies experiencing a decline in sales. In addition, the technology sector has seen a decline in earnings, with many companies reporting lower than expected results.

However, the market is still not showing any signs of a downturn, and many investors are maintaining a bullish outlook. The Dow's current level of around 565 is not necessarily a sign of a downturn, but rather a correction in a long-term bull market.

Some investors are looking to the future and seeing potential opportunities in the market. They believe that the current decline in the market is a buying opportunity, and that the long-term prospects for the economy are positive.

In conclusion, while the current market conditions are challenging, there are still opportunities for investors to make money by being patient and selective. The key is to focus on quality companies with strong fundamentals and to avoid those with overvalued stock prices.

Security Traders Association Of Chicago, Inc.
Outlook for Stock Market - Issues Currently Attractive

Continued from page 23

will spend over a billion dollars for new plant and equipment.

A perusal of the Dow-Jones Industrial average, I rather think that we will have another high in January and February of this year, but then by April or

early May the trend will be down, and through October or November

prices will be lower by about $200 than at present. The market will then

ride out the year for a better year in 1960.

A market of Stocks

Now, it is all very well to discuss the problems of the stock market and to try and predict the direction of the trend in the months ahead, but most of us, in our ordinary jobs, are

working on a smaller time scale. For example, we may have to cut back our buying. If anything, we see a great deal of activity on the

market. This means that the market is under great pressure, but that

pressure is on the upside, and the market is rising on each and every

day of the week. The market is not down on any day, and we are

buying stocks on a daily basis.

The shifting, facetious or serious, cause of this market move is

hardly clear. It is a market of stocks that is buoyant, and we think

that it is a good time to buy stocks. When the market moves to a new

high, both on a day-to-day basis and on a weekly basis, it is a good

time to buy stocks. If we buy stocks when they are low, we will likely

see a rise in the market in the near future. When the market is rising

on a daily basis, we think that it is a good time to buy stocks, and

when the market is rising on a weekly basis, we think that it is a
good time to buy stocks.

The market of stocks is under great pressure, but it is rising on

each and every day of the week. The market is not down on any day,

and we are buying stocks on a daily basis. When the market moves to

a new high, both on a day-to-day basis and on a weekly basis, it is a
good time to buy stocks. If we buy stocks when they are low, we will

likely see a rise in the market in the near future. When the market is

rising on a daily basis, we think that it is a good time to buy stocks, and

when the market is rising on a weekly basis, we think that it is a
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SECURITY SALESMAN'S CORNER BY JOHN DUTTON

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Volume 192 Number 6010 • The Commercial and Financial Chronicle

Strained trading range for the next six months, because of the state of business and political changes, the present day forecaster must be quite patient. Some groups reach an over-priced, over-popular peak and prices should be sold. This happened last year and in each of the other groups. It will happen again. In the words of a very successful and well-known investor manager, "The most up-to-date method of knowing the market is to study the market itself. We improve our results by studying this market action—by long term action if possible, but still by market action. We must learn to read that book, just because they look cheap."

"—An address by Mr. Ward before the Draper's Day School of Business, Queens College, New York City, Dec. 3, 1960.

Brown Named by National Distillers

Henry L. Brown has been appointed by National Distillers Chemical Corp., Roy F. Cappuccio, Jr., President and General Manager. Mr. Brown, formerly a Vice President of the company, will be responsible for advertising and public relations agency, formerly National Distillers Chemical Corp., public relations account at Dromen for the past 12 years.

Vacudyne Assoc. Common Marketed

Public offering of 200,000 shares of the common stock of Vacudyne Associates, Inc., the holding company of Vacudyne, Inc., whose principal business is the manufacture and sale of sensitized screen and printing plates for the offset printing trade, and of many other products, is currently being marketed. The shares, at a price of $1 per share has been underwritten and the book is being handled by H. S. Simmons & Co., Inc. and B. N. Ruck, Inc., both of New York City. The net proceeds from the sale of the shares will be used for the repayment of loans; purchase of machinery, equipment and capital development; research and development; and for additional working capital. Balance of the proceeds will be added to the general funds of the company.

The company is engaged in the sale of equipment and supplies used in the entertainment and industrial type printing. It also supplies photographic labs and industrial users. The company is also engaged in the manufacture of photographic sensitized screen negatives, for which it maintains its own laboratories, for the manufacture of screen negatives with which its sensitized screen negative type printing plates are made, and for the processing of sensitized screen negatives. The company is also engaged in the production of photographic sensitized screen negatives, for which it maintains its own laboratories, for the manufacture of screen negatives with which its sensitized screen negative type printing plates are made, and for the processing of sensitized screen negatives.

Silverstein to Be H. Hentz Partner

CHICAGO, Ill.—On Jan. 1, William Silverstein, Jr., will become a co-owner of Hentz & Co., and the firm will be named Silverstein & Hentz, Inc., 141 West Jackson Blvd.

With Edward D. Jones

(P.S. To The Financial Chronicle)

PHILADELPHIA, Pa.—Mr. Taylor has been affiliated with Edward D. Jones & Co., Bon Durant Burbo, and Edward D. Jones Co.

JOINS BURBO

BOSTON, Mass.—Joseph D. Ferguson has joined the staff of Burbo & Company, Inc., 80 New Street.

SECURITY SALESMAN'S CORNER

Your Inventory

Recently it has been called to the attention of this security salesman that many dealers in securities do not keep accurate records of their customers' and securities' transactions. This is anything but basic in the security industry security. It is that the security salesman should have a good command of the facts and should know much more than that. He should also be cognizant of this customer's objectives, whether he is investing, saving, real estate, insurance, real estate investments, and as much as possible about his temperament.

When I started in this business if a salesman made a call on a prospect and he did not return with an order that was accepted by the sales manager. We used to take 5% of all money on the order, and he was paid a flat fee for the time spent in making the call. We had a personal call on a prospect, and he and I did our best to make a personal call on a prospect or client, and he did not have at least some idea of his investor's objectives, and the security he was buying. We have seen marked failure of the salesman and his prospective customer.

How Can You Recommend?

Unless you know what an investor is buying, you cannot recommend any additional investments. What do you say to a man when the range of his portfolio is too low, too high, or is not flexible enough? If you cannot answer this, just grab an idea in the dark and say something that is about $84 at the market, and he will say, "I've got too many speculative common stocks in my portfolio. They are appreciating at a slow rate, but I can't change my account from the viewpoint that you want to assist him in obtaining maximum diversification, spread the risk, increase income, upgrade quality, enhance growth possibilities, you are nothing more than a part-time analyst of stocks hoping that you will become a full-time analyst and that you will go back to your office and obtain a fresh supply for tomorrow."

There are investors who have been relying too much on one factor in their decision to buy a stock. An investor may be buying on the news, on the market action, on the consensus of the analysts, or on the personal judgment of the salesmen. The investor will be the right way to buy a stock, the wrong way to buy a stock, and the wrong time to buy a stock. The investor should know the relationship between the customer and the salesman, and the salesman should know the customer's objectives, and the security he is buying.

NAC Charge Plan Class A Sold

Sade & Co., Washington, D.C. headed a group that publicly offered on Nov. 20, 60,000 shares of NAC Charge Plan & Northern Acceptance Corp.'s Class A common stock (par 60¢) at $3 per share.

The company, which was organized Jan. 12, 1933, operates a retail charge account plan under the name of "NAC Charge Plan, Inc." It also engages in consumer financing via small loans, and has in addition, an installment credit plan which is offered in connection with real estate, automobiles, and home improvements, and is located at 16 E. Pleasant Street, Baltimore, Md. The net proceeds are estimated at $200,000, of which the major portion will be contributed to the NAC Charge Plan Division, and the balance will be added to the invested capital of the company.

Advent of New Administration

A new administration will be taking office in Washington shortly, after the beginning of 1961, and it is evident that there will be a wholehearted agreement between some of the actions which have been taken by President Johnson and the people who will assume the reins of power on Jan. 20, 1961. It will be interesting to see how some of these differences are reconciled, especially from the standpoint of whether or not the policy of "business as usual" will continue under more close scrutiny with the new Government in control.

However, it is rather clear that past changes in the Federal Reserve System in Washington there has been a change in Federal Reserve practice, as well as a change in the direction of Federal Reserve policy. The coincidental close working past eventually could have a constructive influence in promoting and Federal Reserve agencies.

There is no reason to believe this will change. Even though there is no agreement with the "national security" policy which will be coming along in 1961, because the pattern of business will dictate what will be done, there is nevertheless well publicized and less spectacularly the money market specialists that greater emphasis may be placed on stimulating the attraction of Government securities with a maturity which is longer than those that the Central Banks have been buying in their recent operations that have shown a very slight variance from the "bull's only" program.

The demand continues to be ready for selected intermediate term issues, especially those that are selling at deep discounts. In addition, there is attraction for certain investors in the 2½s due 1965-70, 1966-67 and 1967-72 because it is indicated that these issues are looked upon as likely to be in a "bull market" in the future. Our understanding of the Bank of England's purchase of these issues in the past was that it would continue to be a ready venture of the Treasury.

Interest in World Bank Bonds

In spite of the better yields which are available in corporate and tax-exempt, there is a growing amount of money finding its way into the long-term Treasury particularly the 3% of 1965, 1% of 1969, and 1½% of 1968. In addition, there is interest in some of those that have been issued recently, and there is a good bond with a yield that is satisfactory, can be bought at a discount of certain of the Bank of England issues. It is evident that the World Bank bonds that these institutions have been interested in acquiring.

L. A. Huey With Copley & Co.

(Special to The Financial Chronicle)

DENVER, Colo.—Lee A. Huey has become associated with Copley and Company, 1600 Ogden, Mr. Huey was formerly a principal of Huey Co. of Denver and Omaha.

John R. Boyd With Henderson-Westenbroek

ST. PAUL, Minn.—John R. Boyd has become associated with Henderson-Westenbroek Company, first National Bank Building.

Specialists in U.S. GOVERNMENT SECURITIES

FEDERAL AGENCY SECURITIES

AUBREY G. LANSTON & CO.

20 BROAD STREET
NEW YORK

CHICAGO • BOSTON
teeth among the farmers of the nation—and possibly more than that at next election time—if more of the taxpayers' money is lost in the unprofitable business of the Defense does not demand and get more from the Budget Director, or at least from Congress, than has been spent in recent years. Such a combination of factors will make the public has misused much that has been said by the President-elect and various influential members of his party. Both the President-elect and his Budget Director-designate had a good deal to say about a balanced budget as a "normal phenomenon."

Now there is something in the nature of a recession upon us, which could give an excuse for a budget quite out of line with reality. According to the World Bank, a political opportunity for what is regarded as popular spending. But that would be but a temporary surcease from the present limited and restrictive fiscal policy of any other account might well not at all convincing or tranquillizing to people abroad who now hold large amounts of short-term investments in this country. The facts of life are hard facts when it comes to such as these. And they are facts which the incoming Administration can not afford to overlook or to evade.

An Anomalous Position

In point of fact, our international financial position is anomalous. As has been pointed out in previous articles, the reserves which can hardly be said to conform to Royle. A very large outflow of gold over an extended period has not been balanced by a correspondingly large outflow of investment of the world. Here we find a political effect borrowing at short-term and lending (or investing) at long-term abroad at the same time that questions have been raised for the world in terms of money and credit in the present conditions, we would not be wise to look upon this fact as the world's avowed dissatisfaction that it made the indicated demands. In addi-

With respect to the current situation, therefore, we must recognize the fact that the Soviet Union has made remarkable strides in increas-

ning their petroleum exports in recent years and today enjoy an export position on the Free World of 400,000 barrels per day, some 5% of total Free World demand in the United States and Canada.

In my judgment, we would not be wise to look upon this fact as the world's avowed dissatisfaction that it made the indicated demands. In addi-

 tion to economic factors which influence consumer buying power, considerable marketing tactics being employed by the Soviets and the long-term supply contracts recently entered into by them indicate that their efforts in the international oil business is no passing fad.

Probabilities for the Future

What then of the future? Is the advent of a new phase in American relationships with the countries of the Soviet bloc? How does the world appear to us in 1960? And what about the two years after that?

The First Stage

One outside the Soviet bloc can answer these questions for the Soviet bloc, but not for the world in general. The Second Stage

However, it is possible for us to draw certain tentative conclu-

sions concerning the probable scope and nature of the Soviet bloc's activities in the petroleum market. But first, let us look at the Free World in the coming years.

These conclusions are best con-

sidered in light of our country's capabilities in the petroleum field, and of the probable long-term intentions of the Soviet bloc countries, as best can be measured on the basis of their published statements of the Soviets themselves.

Planned production for the Soviet domestic economy.

At the present time, and for the foreseeable future, crude oil production capacity will not be a limiting factor on the Free World market, and the Soviet bloc to export increasing amounts of crude oil.

Since the end of World War II, exploration work has been undertaken in the Soviet Union. Recent years have seen great increases in the number of oil wells drilled in various parts of Russia. Of particular importance has been the development in the area between the Caspian Sea and the Ural Mountains, which I men-

tioned previously. It is significant that with the completion of the Seven-Year Plan, in 1965, production from the Volga-Ural area will be approximately 20 million barrels per day. Of the total production of 4.8 million barrels per day, it is planned to excess production for that year, or about 80% of their total production. Thus, these new fields will vastly overshadow in importance the oil fields of the Caucasus which have for so many years been the primary source of petroleum for the Soviet Union.

These new production fields are about 800 miles from the Black Sea ports and almost 1,000 miles from the Baltic Sea. In the Baltic Sea there are no direct pipelines from the new fields to the Baltic, and the baltic is not scheduled to be completed before 1964.

Some crude oil could be shipped by tanker on the Baltic Sea or from the Black Sea to the Baltic, but shipments of any scale are limited to one greater - petroleum, exports, as a means of waging economic war.

The development of these new fields has forced the Russians to look for new areas of increase in crude oil production in the Caspian Sea. The current Seven-Year Plan.

From a crude oil production of 1.9 million barrels per day in 1959 the Russians claim to have upper crude oil production figures for the current year of 5.6 million barrels, or an increase of almost 2 1/2 times in two years.

Some modus operandi must be found, and less rather than more government interference with private affairs must be the basis for common procedures. The new President will have plenty to do and all the worries he can stand.

However, too much reliance cannot be placed on this limitation of the Soviet bloc to a longer run. In the current depressed state of the world economy, they may have so far been able to obtain sufficient charters to cover their needs.

The Soviet Union recently purchased a 39,000-ton tanker from a German shipowner who was unable to take delivery, and there is every chance of a situation in the Netherlands to acquire another tanker. There have been reports that they have been negotiating for the purchase of additional tankers to be built in Japanese shipyards. This agreement, signed in Italy, the Netherlands, and Scandinavia.

Thus, the Soviets are facing some serious transportation difficulties, and if anything, they will undoubtedly master them in several years' time, it appears reasonable to conclude that the Soviet bloc will have difficulty increasing its petroleum imports and products during the next few years by more than the present rate of about 400,000 barrels per day.

This estimate of 400,000 barrels per day as the present estimated increase in Soviet petroleum imports in the next few years will be substantially exceeded if the recent revision in the Soviet Union's ability to bring oil up from behind barriers will be ample to support any kind of export program they wish to undertake. Even in the year 1960, in which the expected decline in the world price of crude oil is assisted by a substantial reduction in the world price of crude oil, the world price of crude oil will be 40 to 50 per cent lower than in 1960.

A second branch of the COMECON pipeline will go to Rouen on the Oder River, the East Ger-

man-Polish border, some 50 miles southeast of Berlin.

The second a southernmost branch of the pipeline will terminate at the Black Sea. There is someone else, the Czecho-

slovak and Austrian border near Vienna, and to Budapest in Hungary.

Signor Mattei, the head of ENI, has recently suggested that the pipeline should be built to the Italian border with Yugoslavia and Hungary.

Unknown Factors of US-Soviet Domestic Oil Needs

By the same token, there is no reason to believe that the limitations on the Soviet bloc's ability to increase its imports of oil will be automatically confined to the demands of their own domestic economics on the resources which are available. These demands are, of course, potential, but we must not overlook the fact that the Soviet states and could be sharply curtailed by a more moderate world policy. Such conditions and policies would mean a reduction in the demand for transportation assistance, a reduction in the demand for transportation assistance, and a reduction in the demand for transportation assistance.

No one on this side of the Iron Curtain can maintain that they are prepared or that they are prepared to take the necessary steps to avoid the consequences of a rise in the price of oil. The foreign trade: "We will bury you!"

There are reasons to believe, however, that the Soviet bloc at 
...the present time is primarily interested in developing and expanding its domestic economies. If Russia today were going to be used primarily as a source of raw materials or as a market for production goods, then economic conditions might well be such as to merit in establishing the future scope of Soviet petroleum exports.

Products are the most important economic consideration weighing on the minds of consuming countries respecting exports of petroleum. The Soviet bloc has its own requirements in coming years.

The group of United States oilmen who recently spent a month in Russia in a report that describes continuous efforts on their part to get more production, drew some information concerning the Russians' plans for increasing consumption, they learned very little in this vital area.

We do know that the Soviet Union is now going through the transition of a national economy largely on coal as an energy source to one much more dependent on natural gas, and natural gas. Similar transitions occurred in the United States as a nation a generation ago and in the countries of Western Europe.

The Russians have stated that the percentage of their total fuel consumption from natural gas and oil will rise from 24.5% in 1935 to 29% in 1937.

In the absence of more detailed figures, it seems clear that apparently a large amount of new Soviet production will be required before this policy is reached and this increase is possible.

In a speech delivered in Arabic at the 18th Annual Meeting of the Petroleum Congress in Beirut, Lebanon, Eugene Gorovets, a representative of the Soviet Oil Export Agency, Eugenii Gorovets, said:

"From 1930 to 1933, the Soviet share of total imports of crude and petroleum products to Western Europe was 19%. In the four years from 1936 to 1939, that share dropped to 15%. Thus, there is no such thing as dumping of Soviet crude in the market, as the characteristics of the European positions of other sellers.

"All we do is to reign our countries, to maintain our policies which we had during prewar years and we want to be a very good and economic.

"A statement by a leading Soviet official is extremely interesting for the West. In the first place, it constitutes a public announcement by the Soviets that they wish to maintain, and possibly to increase, their petroleum exports to Western Europe.

"In this connection, however, is Mr. Gorovets' reference to the Russian supply position to Western Europe, which recalls a piece of history that may be important in the present situation itself today.

Is History Repeating Itself?

At the time of the Soviet revolution, having partly recovered from the violent upheavals and civil wars which ravaged the land, the country in 1917, was in the process of its own "green revolution," using energy and coal to draw upon the advanced technology and resources of the then Western Europe and the United States. In doing so, they were able to make significant contributions to the many years and vast amounts of capital which had been spent by the West in research and developing technologies.

In 1932 French technicians built the largest oil refinery in the Soviet Union at Volkovsk, about 80 miles from the city of Murmansk. The plant had an initial capacity of 11,000 tons per annum and was expected to produce 10,000 tons per annum at that time.

Small examples could be found in other industries of the Soviet Union's purchase of advanced technology, although, of course, this could not be as large-scale and systematic as in the United States.

Indeed, Mr. Gorovets did point out that during the period in question, the American Bar Association, called attention to the large volume of Soviet tin and aluminum which were at that time beginning to appear on the Free World. After a few years, the situation has changed. The largest gainers of foreign exchange that have been making foreign exchange have been largely due to an increase in awareness of the advantages of their sometimes seriously stable products.

In an address which I delivered before the Section on Corporation on the American Bar Association, I called attention to the large volume of Soviet tin and aluminum which were at that time beginning to appear on the Free World. After a few years, the situation has changed. The largest gainers of foreign exchange that have been making foreign exchange have been largely due to a more intensive study of the advantages of this and that, and an increasing awareness of the advantages of other products.

This is an important point. The fact that this has been realized by the Soviet Union means that it can be realized by the West. The West can be made to realize that it can do much better in this area.

Some years ago, the government refined its own operations and began to make available to ANCAP, accepted bids from the private companies in this quality of foreign exchange.

Many other factors have also contributed. Some of these are the factors of the market, and the fact that the private companies in this never-ending competition are, of course, the same factors which have marked the developing technology in the West.

In addition, the oilmen on the side of the Iron Curtain must be careful in using the elements of trust, confidence, and respect which have been built up over long years of reciprocal trade among the countries of the West. In the United States, it is intangible, but very real, and important in building trust.

And, finally, we should carefully and continually review the policies of our government to see that they are in the best interests of the policies of our government to see that they are in the best interests of the policies of our government to see that they are in the best interests of the policies of our government to see that they are in the best interests of the policies of our government to see that they are in the best interests of the. ...
Banks Must Regain Role As Private Credit Suppliers

Continued from page 7

their business. Bankers have been ingeniously contriving new ways of waiting up front for the interest on savings accounts, or of paying them a fraction of this interest. They have turned to a wide variety of forms and methods for enabling the banks to manage and to manage their money more efficiently.

This has been fine for the bank customers, but it has had a big impact upon banking in a different matter. It has made it less easy to become mostly work and not much more. In the end the result is an end to the line of sight. The indications are that corporate treat

ers who have been waiting for their work to be done to be done competitively for savings. In the future banks will have to compete with each other for funds and al-

Potentail in Savings

The Potential in Savings

What about our second category: Savings—savings for the rainy day reserves?

It is commonly assumed that inflation is a barrier to building up their savings accounts. This may have been the case for savings accounts—Investment Savings—but it has not been the case for Savings. In fact, the oppo-

sition is not as great as it was in 1946. The reason for this is that the ability to earn a higher rate on their money has now almost completely relin-

Throughout the Thirties and early Forties, the public held most of their Savings in banks. If there was little little in other places. Today, however, with the recov-

ing time and not too long to go. But there are other ways to look at the same problem. One way is to consider the way in which the banks handle their deposits. They have largely shifted into new kinds of liquid assets—Treasury bills, for example.

It is still not the case that the banks have not been too concerned about the status of these funds. They still have a large problem. The more so, in fact, the tax on them. But today, with these deposits almost gone, and with their touch-

In the next few years, the banks will have to find a new way of earning money. This will require some ingenuity, and it will require the use of some tools that the banks are not used to using.

To be sure, banks have at hand a complete battery of forms of on-the-job banking services—credit cards and the like. But will not use this tool as long as it is not enough to break out the champagne.

Fortunate commercial banks have some advantages in attracting this kind of savings, but others have some disadvantages in competing for it. The factors of convenience and ease of sale are the factors of this and really go after savings, they can get them.

The banks are demonstrated by many banks which have enjoyed considerable success in recent years. Some banks have, however, have hardly tried. Sometimes they have but have not yet gotten around to doing some of those things that need
to be done to compete effectively for savings. In the future banks will have to compete with each other for funds and all the banks in this study—especially Savings substantially if they really try.

Lost Function

Let's look now at our third category: Excess Funds.

A few years ahead, banks will be in the position of having a few, if any, of their funds available for short-term in-

vestments. For one thing, corporate 

The future expansion potential of the banks is much greater than is generally realized by the public. The money inflation has been taking place in this country. Mil-

in the middle to momo brackets—to a conclusion. It is said that the phase of the business cycle that has just about ended movement into the upper-middle income bracket—families earning $5,000 to $10,000 a year—has been a period of growth, and they are bound to receive a substantially higher rate of interest on their deposits than they have been getting on their savings accounts. The result, of course, is that the banks will have to find a new way of earning money. This will require some ingenuity, and it will require the use of some tools that the banks are not used to using.

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to be done to compete effectively for savings. In the future banks will have to compete with each other for funds and all the banks in this study—especially Savings substantially if they really try.
An Abundance of Challenges

This, it is hardly to be doubted, has been the case of banking problems by any means. One of our most critical of fruit in the development of capable personnel. Many banks will feel the impact of reasonable and just opportunities. City banks will have to face hard times, the burgeoning of metropolitan areas, the continuing expansion of the Rural Bank, and the face special problems resulting in the current areas. Changes taking place in our agrarian society.

Tougher competition will make some of these problems even more serious. Competition is already intense in most areas, and the banks with lower bank profit margins are being pushed as and banks continue to compete with each other on competitive basis. At the same time, our banks are highly aggressive, we may still be offering more banking services.

In addition to all this, strict banking problems is generally faced with many challenges in the area of public service. This subject has many facets and demands our time.

LumberShipmentDown1.5%Beford1959

Lumber shipments reporting to the National Lumber Manufacturers Association for the last week have declined 0.9% from last week.

In the same week, new orders for these mills were 22.9% above the previous year. Shipments of softwood mills, unfilled orders, and the current week's production at the same rate of the same stock were equivalent to 21.9% of the previous week.

For the year-to-date, shipments reporting to identical mills had 2.9% below production last year. New orders were 5.4% below production. Compared with the corresponding week in 1959, production of reporting mills was 21.7% above; shipments were 24.7% below; and new orders were 6.2% above.

Mild Rise in Business Failures

For Dec. 1 week

Business failures increased mildly to 290 in the week ended Dec. 1 from 276 in the corresponding period last year. This was a decrease of 5.9% from the previous week's failure.

The total dollar volume of retail trade in the week ended No. 29 was equivalent to 101.1% below unchanged from a year ago, and 94.4% below last year.

The weekly report indicated by the Consumer Unit's series that the consumer's savings, small electrical and electronic, and furniture, were collected by Dun & Bradstreet Co., which indicated a seasonally adjusted level for the year ending Dec. 1, 1959.

Weathernotes

According to the Federal Re
der System, department store sales rose in New York City for the week ended Nov. 26, 1959, despite a gain of 5.4% over the like period last year. In the previous week, sales were 10.7% above the year ago level.

The rise in sales was attributed to warmer weather, which was higher than average, and a strong retail buying at the higher levels of the year.

The rise in sales was attributed to warmer weather, which was higher than average, and a strong retail buying at the higher levels of the year.

Electric-Mechanic Common Offered

The Electro-Mechanic Co., Westinghouse Electric & Manufacturing Co., reported an order for 1,000,000 sets of its new 12-circuit, 1,000-volt switchgear at a price of $3 per set on Nov. 23.

The offering was underwritten by a group of New York City firms, including W. B. Robbins, Arizona, Texas, Dallas, Williams & Co., Arizona, Texas, W. B. Williams & Co., and Arizona.

The offering will be added to the company's working capital.
What Steel Industry Must Realistically Face and Do

Continued from page 3

sible need for a reappraisal of the industry's present arrangements to suit the changing market with which it has to compete. The market is, indeed, changing and the steel industry itself needs to adapt its practices to the new conditions. The following points must be considered:

1. The growing importance of foreign competition, particularly from Japan, in the markets of the United States.

2. The increasing use of substitutes such as plastics and aluminum in the automotive industry.

3. The rise of new industries such as electronics and computer manufacturing, which have different steel needs.

4. The shift towards more efficient and environmentally friendly production processes.

5. The need for better steel quality and reliability in a world where product lifetimes have increased.

The steel industry must be prepared to face these challenges and adapt to the changing market conditions. Failure to do so could result in the industry losing its competitive edge.

I don't believe there's a steel man who wouldn't buy that statement unconditionally. So I reject the assertion that the steel industry's problems are so great that the entire industry must go up in smoke. We all know that the steel industry is going to have to spend a lot more money on research and development in order to improve things. It's our duty to keep up with the scientific developments in the steel industry. That's what the industry intends to do.

In looking at the industry, I think it should very probably be spending a good deal of time and effort on non-technical research: technical research that might, for instance, point the way for logical developments may be more important to the steel industry, as it has been found that steel can be made in smaller quantities than before. Research that might go out and find new, more thoroughly investigated, more intensively than has been done in the past, how they could improve the steel and, what new uses there might be for steel.

New Uses for Steel

Let me illustrate what I mean. The construction business consumes about 25% of the steel produced in the United States. But it is the area where steel can be used, because the steel can be used as a building material that is resistant to corrosion. In the construction industry, however, has made recent inroads. It appears that the long-run growth in the construction market is possibly r u d e c t i s h a p e s , s l e e p t r i p , s i d e , a r e a s , c o l u m n s , and more usable space.

Another example is the use of steel in the automotive industry. Steel could be sprayed on steel and could be eliminate the need of concrete cladding and reduce the cost of building with steel in general. Steel in construction may be used to build up structural components, and steel columns, and more usable space.

I believe that the steel industry must be prepared to face the changing market conditions and adapt to the new technologies. Failure to do so could result in the industry losing its competitive edge.

The steel industry must be prepared to face the changing market conditions and adapt to the new technologies. Failure to do so could result in the industry losing its competitive edge.

Ford Electronics

An underwriting group headed by Drexel Burnham Lambert, Inc., underwrote $9,725,000 of the new $13,000,000 series of Potomac Electric Bonds. The proceeds from the sale is to be used to pay the expenses of the company's outstanding bank loan notes. Such notes represent bor- rons that affect the price of the company's construction expenditures and other corporate purposes. The balance of such notes will be used to reimburse the treasury of the company for the cost of the construction expenditures heretofore made by the company for a portion of the company's continuing construction projects.

The company, incorporated at 11747 S. St., North Holly- wood, Calif., is engaged in the manufacture of switching and control devices, which include transistors, rectifiers, and other semiconductor devices, as well as electronic and infrared applications.

The company was incorporated in 1956, which is 46% of the crystal grown in the United States in the manufacture of semiconductors. The company's total asset is $1.5 million, of which $2.5 million is contributed from the company's founding. The company is located on a new site in San Francisco near the site of the company's original plant.

The bonds were secured by a mortgage on the property and a guarantee from the Potomac Electric series of Potomac Electric Corp., no-par common stock.

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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 ended on that date, or, in cases of quotes, are as of that date:

### American Railroad Carriage

- Month of October
- Grades for new freight cars delivered:
  - C
  - D
  - E
  - F
  - G

- Shipment of empty and undelivered (end of month):
  - C
  - D
  - E
  - F
  - G

- Manufacturing, Inc.
  - Internally generated non-rail transport by 247 carriers (in tons):
    - 7,008,078
    - 9,632,142
    - 10,677,054

### Building, Permit, Valuation

- Bldgs., St. Louis, Dec. 1
  - 37
  - 25
  - 17

- Bldgs., St. Louis, Dec. 2
  - 37
  - 25
  - 17

- Bldgs., St. Louis, Dec. 3
  - 37
  - 25
  - 17

### Coal Exports

- Bureau of Mines
  - Month of September
  - Volume of shipments
  - Unit price of Pennsylvania anthracite (neg.):
    - 143,176
    - 137,083
    - 151,776
  - To North America
    - 138,782
    - 180,792
    - 181,792
  - To Europe (net tons):
    - 21,612
    - 15,047
  - To South America
    - 336

### Coal Output

- Bureau of Mines
  - Month of October
  - Total coal
    - 4,438,383
    - 3,820,437
    - 3,382,456
  - Total lignite
    - 272,458
    - 220,938
    - 232,847

### Edison Electric Institute

- Kilowatt-hours
  - Residential consumers:
    - Month of August (estimated):
      - 5,085,642
      - 5,050,537
      - 5,025,431
  - Commercial consumers:
    - Number of ultimate customers at Aug. 31:
      - 66,125,492
      - 65,876,497
      - 65,627,496

### Factory Earnings and Hours

- Average earnings:
  - Week ending in Oct. 6
    - 3.90
    - 4.05
    - 4.00
  - Hourly earnings
    - 2.30
    - 2.35
    - 2.25

### Life Insurance

- Bureau of Statistics
  - Of Life Insurance—Institute of Life Insurance—Month of October
    - Policies (000's omitted):
      - 2,210,904
      - 2,210,904
      - 2,210,904

### Metal Output

- Bureau of Mines
  - Month of September
  - Mng. production of recoverable metals in the United States:
    - 137,000,000 tons
    - 136,000,000 tons
    - 135,000,000 tons
  - Total output:
    - 118,000,000 tons
    - 117,000,000 tons
    - 116,000,000 tons

### Metal Price

- E. & M. quotations:
  - Nickel:
    - London:
      - 55.80
      - 55.80
      - 55.80
  - Copper:
    - London:
      - 71.00
      - 71.00
      - 71.00
      - 71.00
      - 71.00

### Oil and Gas

- Average price of oil
  - July (per barrel):
    - 1.57
    - 1.57
    - 1.57
  - June (per barrel):
    - 1.51
    - 1.51
    - 1.51

### Petroleum

- Bureau of Mines
  - Month of October
  - Crude petroleum:
    - 10,643,000 bbls.
    - 10,643,000 bbls.
    - 10,643,000 bbls.
  - Natural gas:
    - 1,435,000,000 cu. ft.
    - 1,435,000,000 cu. ft.
    - 1,435,000,000 cu. ft.

### Stock Transactions

- NYSE
  - October
    - Total number of shares traded
      - 4,384,820,870
    - Total dollar volume
      - $12,363,556,250

### Wholesales Prices

- New series
  - U. S. Dept. of Labor
  - Month of October (1944-46 = 100)
  - Consumer prices:
    - October
      - 131.0
      - 131.0
      - 131.0
  - Retail prices:
    - October
      - 125.0
      - 125.0
      - 125.0

### Volume

- Issue no. 1, 1960
- Total pages
  - 31

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*For more detailed information, please refer to the original document.*
Securities Now in Registration

NEW ISSUE CALENDAR

**December 9 (Friday)**
Great American Bankers Trust Co., Inc.—Common
(Milton D. Blumenthal & Co., Int., and M. L. Lee Co., Inc.)

**December 12 (Monday)**
Baruch (R.) & Co., Inc.—Common
(Milton D. Blumenthal & Co., Int., and M. L. Lee Co., Inc.)

Beneficial Finance Co.—Debentures
(White, Weld & Co., Inc.)

Chemtron Corp.—Common
(R. B. Smith & Co., Inc.)

Consumer Power Co.—Bonds
(Mancini & Co.)

Cook Financial Corp.—Common
(Mount & Co., Inc.)

Does-More Products Corp.—Common
(Equitable Securities Corp.)

Geophysics of America, Inc.—Common
(H. P. Smith & Co., Inc.)

High Point Ski Ways, Inc.—Units
(Keller, Brown & Co., Inc.)

Koeller Air Products, Inc.—Units
(Thomas B. Irwin & Co., Inc.)

Long Island Plastics Corp.—Common
(Keller, Brown & Co., Inc.)

New Canaan Co.—Units
(Mount & Co., Inc.)

Pall Corp.—Common
(Keil & Co., Inc.)

United International Fund Ltd.—Common
(Lynch, Pierse & Co., Int.)

[Continued on page 37]

READ MOST FREQUENTLY:
The Chicago Tribune is the Chicago newspaper business leaders say they read most frequently. This fact was brought out by a survey of office executives and salesmen listed in Dun & Bradstreet’s “Million Dollar Directory”. To sell securities to Wall Street and Midwest iron and steel market...

Chicago Tribune
The World’s Largest Newspaper
Mid America’s most widely circulated marketable pages
Ampal-American Israel Corp. Oct. 25, 1960 filed 150,000 shares of class A common stock. Proceeds—$1 per share. Business—The company intends to offer the shares to the public in connection with an amusement park project. Offer—In February.

Analex Corp. Sept. 27, 1960 filed 900,000 shares of common stock, of which 550,000 are subject to purchase on exercise of warrants and 100,000 were issued to Putnam & Co., Hartford, Conn., on exercise of warrants at $18 to $17.50 a share. The proceeds are to be used for the purchase of new equipment, expansion of facilities, and to repay indebtedness. Offer—For sale to the public.


Associated Oil & Gas Co. Nov. 23, 1960 filed 100,000 shares of common stock (par $1). Proceeds—For general corporate purposes. Offer—For sale to the public.

Associated Traffic Clubs Insurance Corp. Nov. 16, 1960 filed 200,000 of 6% convertible subordinated debentures due 1975. Proceeds—For general corporate purposes. Offer—For sale to the public.

Avery Adhesive Products, Inc. Nov. 18, 1960 filed 250,000 shares of common stock (par $1). Proceeds—For general corporate purposes. Offer—For sale to the public.


Baruch (R.) & Co. (12/16-12/21) Dec. 6, 1960 filed 100,000 shares of common stock (par $25), Proceeds—$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 underwriting, and the balance for working capital. Offer—1501 E. 6th St., St. Louis, Mo. Underwriter—C. Underwriter—Same.

Bell Electronic Corp. (1/9) Oct. 12, 1960 filed 136,000 shares of common stock, of which 70,000 are subject to the offer for the account of the issuing company and 50,000, representing outstanding shares, are subject to the offer of the present holder thereof. Price—To be supplied by amendment. Business—The company, which was formed December 7, 1960, will manufacture electronic equipment for the U.S. military and other equipment manufactured by others. Proceeds—For expansion of business.


Bonville Manufacturing Co. Nov. 28, 1960 filed 120,000 shares of class B common stock for the benefit of the NASD. Proceeds—To be used for the purchase of small business companies. Offer—1019 N. Burgard, Portland, Ore. Underwriter—Aul & Co., Portland, Ore.

Bristol Construction Corp. Nov. 28, 1960 filed 120,000 shares of class A common stock, of which 100,000 are subject to the offer for the account of the NASD. Proceeds—To be used to the purchase of small business companies. Offer—25 Broadway, New York, N. Y. Underwriter—Arnold Malkan & Co., New York City (managing). Offer—Expected in January.


Brothers Chemical Co. (12/15) Aug. 9, 1960 letter of notification 100,000 shares of class A common stock (par 10 cents). Price—$3 per share. Proceeds—For general corporate purposes. Offer—For sale to the public.

Brunswick Corp. (1/11) Dec. 6, 1960 filed 32,500 shares of convertible preferred stock. Proceeds—For expansion of convertible subordinated debentures due 1981, to be offered to holders of the outstanding common stock of record Jan. 11, on the basis of 1 for 10, for a price of $30 per share. Offer—To be supplied by amendment. Business—The company manufactures and distributes bowling products. Proceeds—For general corporate purposes, primarily for the purchase of new manufacturing equipment.


Davco Stores Corp.

Sept. 7, 1960, filed $1,000,000 of 6% convertible subordinated debentures due 1975, being offered to its common stockholders of record Nov. 23, pursuant to the registration statement filed Aug. 1, 1960, at 3:30 p.m. (EST).

Price—$100 per debenture plus accrued interest, plus one share of the common stock of the company, of which 50,000 shares are being sold in the metropolitan New York area in which it sells various electrical appliances, sporting goods, furniture, and other household purposes, including fixtures and inventory for two new stores to be built in New York City.

Underwriter—Amos Treat & Co., Inc, New York City (managing).

Delta Tractor, Ltd.

May 26 filed 3,175,000 shares of class A stock. Of this stock, 1,250,000 shares were offered for the common stockholders of the company and the remaining 2,000,000 shares are to be offered for sale by the holders thereof. Price—Not established. Proceeds—To use $25,000,000 to finance the purchase of machinery and equipment, $750,000 to finance additional plant and equipment, and $500,000 for general corporate purposes. Office—1995 Sackett St., Rochester, N. Y. Underwriter—Midwest Investors Corp., Rothenberg, Heller & Co., and Joseph Nadler & Co., Inc, New York, N. Y.

Drexel Tricorporation.

Oct. 12, 1960, (letter of notification) 75,000 shares of common stock (par 10 cents) offered for the public. Price—$5 per share. Proceeds—To pay notes payable, purchase inventory, for the purpose of increasing the facilities of the existing cashew plant and for working capital. Office—201 W. Semmes St., Osceola, Ark. Underwriter—L. E. S. & Co., Inc, New York, N. Y.

Drexel Trust Company.

Oct. 25, 1960, filed 500,000 shares of common stock (par $1.00) offered for the public. Proceeds—For portfolio investment.
First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 100,000 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 187,500 are to be sold by the company, 750,000 for the acquisition of land and in exchange for certain other lands and assets, and the balance will be for public use. Proceeds—To be used in accordance with law by amendment. Proceeds.—For the acquisition and development of land, mining operations and equipment, and the balance for public use. Office—Fort Myers, Fla. Underwriter—None.

Forgot Industries, Inc.

Glamour Vending Corp.

Gold Medal Pack 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 the indebtedness of Jones & Co., pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on December 27, 1956, to enable the company to meet the company's obligations to a bank. In addition, $15,000 will be used to refinance the old sales office building, and the balance will be used for general corporate purposes. Office—New York, N. Y. Business—the company is engaged in the purchasing, packing and marketing of dried and processed fruit products, and in the sale of fruit products and fruit specialties; it also sells certain dairy products. Underwriters—Em. Wells, 19 William Street, New York, New York.

Golden Crock Records, Inc.

Grenier Manufacturing Co., Inc. (12/9)

Gulf Chemical & Fertilizer Co., Inc.
Dec. 18, 1960 (letter of notification) 100,000 shares of common stock (par $1). Price—to be determined by amendment. Proceeds.—For general corporate purposes. Office—Houston, Texas. Underwriter—None.


Gold Medal Pack 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 the indebtedness of Jones & Co., pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on December 27, 1956, to enable the company to meet the company's obligations to a bank. In addition, $15,000 will be used to refinance the old sales office building, and the balance will be used for general corporate purposes. Office—New York, N. Y. Business—the company is engaged in the purchasing, packing and marketing of dried and processed fruit products, and in the sale of fruit products and fruit specialties; it also sells certain dairy products. Underwriters—Em. Wells, 19 William Street, New York, New York.

Golden Crock Records, Inc.

Grenier Manufacturing Co., Inc. (12/9)

Gulf Chemical & Fertilizer Co., Inc.
Dec. 18, 1960 (letter of notification) 100,000 shares of common stock (par $1). Price—to be determined by amendment. Proceeds.—For general corporate purposes. Office—Houston, Texas. Underwriter—None.

effects of control systems and subcontracted precision machining. The firm has recently begun to make instruments, but has not yet built any in commercial production of these items. Proceeds—For debt service; for general development, advertising and selling, inventory, and general working capital. Underwriter—Sidney J. Twarden, California Development Corp., Detroit, Mich.


Industrials Diode Corp. July 29, 1960 filed 42,000 shares of 6% noncumulative convertible preferred stock, par $1, 100,000 shares of common stock, of which 110,000 shares will be sold by the company and 60,000 by selling stockholders. Price—To be supplied by amendment. Business—Produces a heat dissipating tube shield for electron tubes, precixal and other devices, and does subcontract work in the aircraft and rocket engine industry. Proceeds—To establish a staff of production and sales, and to add to working capital. Office—90 Forrest St., Jersey City, N. J.

International Electronic Research Corp. (1938) 300,000 shares of common stock, of which 250,000 shares will be sold by selling stockholders. Price—To be supplied by amendment. Business—Operates a ski area, ice-skating rink, open air theatre, skating rink and other similar business. Proceeds—To fund general corporate purposes. Address—Port Jervis, N. Y. Underwriter—Gonza, Clark & Van Buren, Inc., New York, N. Y.

Hydrosolv Corp. Aug. 17, 1960 filed $1,650,000 of 6% subordinated debentures due 1989, and 1,650 shares of class A common stock, to be offered in units of one $1,000 debenture and one share of common stock. Proceeds—For general corporate purposes. Business—The principal business of the company, which was organized in 1954, is the manufacturing, acquiring, improving, developing, selling, and leasing of equipment and machinery. Proceeds—To reduce funded debt. Office—401 Columbian Blvd., Topeka, Kans. Underwriter—None.


Hydro-Electronics Corp. Nov. 21, 1960 filed 300,000 shares of common stock (par one cent). Price—$2 per share. Business—The manufacture of precision measuring equipment, automatic equipment for the railroad industry, and special machine controls. Proceeds—For general corporate purposes. Address—1215 E. 210th St., South Bend, Ind. N. Y. Underwriter—Lloyd Securities, New York, N. Y.

Hydro-Gas Corp. 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 of one $1,000 debenture and one warrant; and 20,000 outstanding common stock warrants, at a price of $35 by the company. Proceeds—The designing, manufacturing and selling of ball valves, precision measuring equipment and special equipment and for working capital. Office—5 Lawrence St., Bloomfield, N. J. Underwriters—Parent, Webser, Jackson & Curtis and Tucker, Anthony & R. J. Day, both of New York (managing).

I O Inc. Oct. 20, 1960 filed 70,000 shares of common stock. Price—$5 per share. Proceeds—To finance the firm, which was organized in February, 1967, makes and wholesales products and services for the fiberglass industry, including particularly the preparation of the glass fiber to be used in making the "Skyliner." Proceeds—For general funds, including expansion and research. Address—1405 Fourth Ave., Indianapolis, Ind. Underwriter—Whitney & Co., Salt Lake City, Utah. Underwriter—White & Co., Salt Lake City, Utah.


Life Insurance Co. of Pennsylvania  
Nov. 29, 1960 filed 60,000 shares of common stock. Price: To be supplied by amendment. Proceeds—For investment in securities and investment company.  

* * *

Long Island Plastics Corp.  
Oct. 27 (letter of notification) 500,000 shares of common stock (par $1) to be offered by holders of record as of November 3, 1960. Price—To be supplied by amendment. Proceeds—To be used for expansion and modernization of company's present plants and for use in the purchase of new plant facilities as may be needed in the future.  
Office—603 Shore Rd., East Meadow, N. Y. (managing).

Loral Electronics Corp.  
Oct. 5, 1960 filed 5,000,000 shares of convertible preferred stock (par $50) to be offered to holders of record as of October 1, 1960. Price—To be supplied by amendment. Proceeds—For general corporate purposes.  
Office—Loral Electronics Corp., 65 Broadway, New York City (managing).

Madian Electronic Corp.  
Oct. 5, 1960 filed 50,000 shares of common stock (par 10 cents). Price—$2.50 per share. Proceeds—To be used for the development of electronic equipment primarily in the area of the electronic medical field.  

Maine View Electronics, Inc.  
Oct. 25, 1960 filed 100,000 shares of common stock (par $1). Price—$3 per share. Proceeds—For corporate purposes.  
Office—Maine View Electronics, Inc., 10 Water St., Portland, Me. (managing).

Maisto Supermarkets, Inc.  
Nov. 4, 1960 filed 2,000,000 shares of convertible preferred stock (par $5), to be offered to holders of record as of November 15, 1960. Price—To be supplied by amendment. Proceeds—For general corporate purposes.  
Office—Maisto Supermarkets, Inc., 10 W. 42nd St., New York City (managing).

Memphis Gas Co.  
Nov. 9, 1960 filed 150,000 shares of common stock to be offered for subscription by common stockholders on the basis of one share for each eight shares held. Price—$7 per share. Proceeds—For working capital, stock dividends, and other purposes.  

Mobile Credit Corp.  
Sept. 14, 1960 filed 50,000 shares of capital stock and 1,000 shares of 6% cumulative convertible preferred stock (par $100). Price—To be supplied by amendment. Proceeds—To be used for working capital purposes (par $100) and for the purchase of receivables.  

Monarch Electronics International, Inc.  

Monarch Financial Services, Inc.  
Oct. 17, 1960 filed 135,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—For general corporate purposes.  
Office—Monarch Financial Services, Inc., 400 California St., San Francisco, Calif. (managing).

Mountain States Telephone & Telegraph Co.  
Oct. 27, 1960 filed 30,000 shares of common stock (par $1) to be offered to stockholders of record on Nov. 28 on the basis of one share for each ten shares of preferred stock outstanding. Price—$12.50 per share. Proceeds—To repay short-term loans made to finance construction.  
Office—301 14th St., Denver, Colo. (managing).

* * *

National Aeronautical Corp. (1/4)  
Nov. 8, 1960 filed 60,000 shares of $1 par common stock. Proceeds—For general corporate purposes.  
Office—St. Louis, Mo. Underwriter—Peters, Bache & Co., New York City, York, Natl., Biddle & Co. and Stratud & Biddle, incidental, both of Philadelphia (mail).

National Citizens Insurance Co.  
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by the holders of record as of Sept. 15, 1960. Price—To be supplied by amendment. Proceeds—For general corporate purposes.  

National Lawserve Corp.  
Sept. 27 (letter of notification) 100,000 shares of common stock (par $1) to be offered by holders of record as of Sept. 27. Price—For general corporate purposes.  

National Western Life Insurance Co.  

* * *

New Canaan Co. (12/12)  
Nov. 7, 1960 (letter of notification) 8,000 shares of class B common stock (no par) and 2,000 shares of class A common stock (par $1) to be offered to holders of record as of Nov. 15. Price—$10 per share. Proceeds—To be used for working capital and for the purchase of equipment.  

New Moon Homes, Inc.  
Nov. 28, 1960 filed 131,800 shares of common stock (par $1), of which 66,668 shares are to be offered by the company, and 45,832 shares for the account of selling stockholders. Price—$9 per share. Proceeds—For working capital and the development of new plants.  

Newson Shopping Center, Inc.  
Oct. 21, 1960 (letter of notification) $300,000 of 6% sinking fund debentures to be offered for subscription at $1,000 each. Price—At face value. Proceeds—For working capital and the construction of a shopping center.  

* * *

Nor-Man Oil & Gas, Inc.  
Aug. 31, 1960 filed 750,000 shares of common stock. Price—To be supplied by amendment. Proceeds—For general corporate purposes.  

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Continued from page 37
the present holders thereof. Price—To be supplied by amendment. Business—The firm produces metal and plastic filters for defense industries and for working capital, and to finance the company’s entry into fiber glass manufacture. Office—500 Fifth Avenue, New York, N. Y., underwriters—E. F. Rothschild & Co., New York City (managing).

Palm Developers Limited (12-27-30) Sept. 8, 1930 filed 300,000 shares of common stock (1 par) for sale. Price—$3 per share. Business—The company is engaged in developing property in California. Price—To be supplied by amendment. for general corporate purposes. Office—Whithead Avenue, New York City, underwriters—Wood, Murphy & Co., Inc., New York, N. Y. Note—The underwriters state that this offering will be delayed.

Mylonikos Corporation (11-17-30) Nov. 16, 1930 filed notification (10,000 shares of common stock (1 par)). Price—$4 per share. Business—The company is incorporated for the purpose of constructing a special type of building equipment and for working capital. Office—Citgo, Inc., New York, N. Y. Note—The underwriters state that this offering will be delayed.


Pocket Books, Inc. (1/10) Nov. 18, 1930 (letter of notification) 70,000 shares of common stock (1 par). Price—$5 per share. Business—The company, formed last July, will act as agents for producers and will produce jazz festivals, concerts, records, and also plan to enter into the development and merchandising of new commercial-jazz music records, and into the film and phonograph recording business. Proceeds—For working capital. Office—45 Lafayette Street, New York City, underwriters—White, Weld & Co. and Goldman, Sachs & Co., both of New York (managing).


Perry Oil Company, Inc. (12-16-30) Nov. 30, 1930 (letter of notification) 75,000 shares of common stock (par five cents). Price—$4 per share. Business—The company will be engaged in the mining of oil and gas and equipment and machinery; for advertising and sales promotion; and the purchase of oil and gas leases. Proceeds—For construction and for the redemption of indebtedness incurred for construction. Office—211 Congress St., Boston, Mass., underwriters—Coffin & Burr, Inc., Boston, Mass. (managing).

Philadelphia Aquarium, Inc. Oct. 14, 1930 filed 1,100,000 of 6% debentures due 1975 and 170,000 shares of common stock (par 50 cents) to be offered in such a manner that, in the event of the sale of the common stock, the debentures are at par. Price—$1 per share. Proceeds—To be supplied by amendment. Office—19 East Mountain St., Fayetteville, Ark., underwriters—Preferred Investments, Inc., a subsidiary of the issuer.

Public Service Electric & Gas Co. (12-14-30) Nov. 23, 1930 filed 250,000 shares of 10% stock (10 par). Price—$1 per share. Proceeds—For general corporate purposes. Price—$5 per share. business—The company will engage in the purchasing of the stock of certain oil companies, including Texas Oil Co., New York City, underwriters—Grat & Polonius, Inc., Los Angeles, Calif.


Rohm & Haas Co. Nov. 17, 1930 filed 9,000 shares of outstanding common stock, no par value. Price—$3 per share. Proceeds—For the purpose of selling stockholders, the executors of the estate of Samuel H. Haas, Jr., deceased, Office—222 West Washington Square, Philadelphia, Pa., underwriters—Lehman Brothers, New York City, underwriters—Lahman Brothers, New York City (managing).

Rohm & Haas Co. Nov. 17, 1930 filed 9,000 shares of outstanding common stock, no par value. Price—$3 per share. Proceeds—For the purpose of selling stockholders, the executors of the estate of Samuel H. Haas, Jr., deceased, Office—222 West Washington Square, Philadelphia, Pa., underwriters—Lehman Brothers, New York City, underwriters—Lahman Brothers, New York City (managing).
Sears, Roebuck & Co., Inc. (11/12)

Sept. 29, 1960 filed 100,000 outstanding shares of common stock. Price—To be supplied by amendment. Proceeds—To sell to all other holders, and to the public. Office—Sears, Roebuck & Co., Inc., Chicago, Ill., and others.

Seaboard Homes, Inc. (Nov. 7) 100,000 shares of common stock (par 10 cents). Price—$3 to $4 per share. Business—The company is engaged in the business of owning and operating houses and home sectional components. Proceeds—For general corporate purposes. Office—200 Saw Mill River Rd., Hawthorne, N. Y., and others.

Self-Rice Drug Corp. (Sept. 26, 1960) letter of notification) $150,000 of 10-year 6% convertible debentures and 75,000 shares of common stock (par $1). Price—$5 to $6 per unit. Proceeds—To repay bank loans and pay off other indebtedness. Office—Self-Rice Drug Corp., Detroit, Mich., and others.

Shell Oil Co. (Oct. 12, 1960) filed 100,000 shares of common stock (par $1). Price—$9 to $11 per share. Business—The company is engaged in the business of manufacturing, using and经销ing for profit, oil and gas and for completing, operating and developing oil and gas wells. Proceeds—To be supplied by amendment. Office—Shell Oil Co., Houston, Tex., and others.


Shore-Cainever, Inc. (Nov. 29, 1960) filed 100,000 shares of common stock, of which 100,000 shares will be offered for public sale by the company and 100,000, being outstanding shares, by present stockholders. Price—$1 to $1 1/2 per share. Business—The company is engaged in the manufacture of building materials. Proceeds—For construction of additional facilities at the company's principal manufacturing plant at Tuscaloosa, Ala., and for general corporate purposes. Office—Shore-Cainever, Inc., Tuscaloosa, Ala.

Shipping Wire & Cable Co. (Sept. 26, 1960) filed 118,000 shares of outstanding capital stock. Price—To be supplied by amendment. Office—Cumberland Wire & Cable Co., 242 Court St., Brooklyn, N. Y.; and others.

Slick Airways, Inc. (Oct. 27, 1960) filed 600,000 shares of common stock (no par). Price—$3 to $5 per share. Proceeds—For general corporate purposes. Office—Slick Airways, Inc., Calumet, Ill., and others.


South Central Natural Gas Corp. (12/20)


Southwest Gas Corp. (Sept. 29, 1960) filed 100,000 shares of common stock. Price—To be supplied by amendment. Business—the sale and distribution of natural gas to end users, and of crude oil and natural gas products. Proceeds—For general corporate purposes. Office—Southwest Gas Corp., 1315 Louisiana St., Dallas, Tex.

Southern Illinois Oil Producers, Inc. (Dec. 9, 1960) filed 150,000 shares of common stock. Price—$2 per share. Proceeds—For the drilling of three wells on a lease located in St. Clair County, Ill., Mockingbird Lane, Dallas, Underwriter—Elmer K. Aagard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.


Staas-Hoffman Corp. (12/15)


Standard & Shell Homes Corp. (Dec. 15, 1960) filed 100,000 shares of common stock and $350,000 of 9% subordinate sinking fund debentures, due 1975, in each case at par. Proceeds—to be supplied by amendment. Office—Standard Oil Co. of New Jersey, and others.


Statilmaster Corp. (12/15) Oct. 25, 1960 letter of notification) $125,000 of five-year 6% convertible debentures and 125,000 shares of common stock at par. Proceeds—to be supplied by amendment. Office—111 W. Jackson Bldg., Chicago, Ill., and others.


United Enterprises, Inc. Nov. 26, 1960, offering of 500,000 of 6% convertible serial debentures Series A at $100 par. Proceeds—To be used for new plant additions and general corporate purposes. Proceeds—Underwriter—California National Bank.


Vector Industries, Inc. (12/12-13) Aug. 29, 1960, letter of notification) 150,000 shares of common stock (app. $1). Price—$2.50 per share. Proceeds—To pay in full the remainder of such subscription money in the future. Proceeds—Underwriter—In accordance with amendment.


Western Beryl Corp. of Nevada Nov. 22, 1960, letter of notification) 200,000 shares of common stock (par 100). Price—$5 per share. Proceeds—For mining operations. Office—249 S. Sierra St., Suite 704, Los Angeles, Calif. Underwriter—None.

Western Forest Products Corp. June 29, 1960, filed 700,000 shares of common stock. Price—$20 per share. Proceeds—To be used principally for the purpose of acquiring assets, and may be used to liquidate current and long-term liabilities. Proceeds—Underwriter—In accordance with amendment.


Wisconsin Southern Gas Co., Inc. Nov. 22, 1960, filed 27,996,000 shares of common stock (par $1). Proceeds—To be used for general corporate purposes. Proceeds—Underwriter—In accordance with amendment.


Yascuscan Mining Co. May 6 filed 1,000,000 shares of common stock. Price—$1 per share. Proceeds—To be used to purchase and install for the processing of manganese ore, to acquire additional equipment: $10,000 for rebuilding roads; $30,000 for transportation equipment; and $65,000 for working cap-

ital. Office—6420 Tardors St., Coral Gables, Fla. Underwriter—None. Note—The SEC has challenged the adequacy and accuracy of this statement. A hearing was held on the matter. Notice of the court's opinion and the SEC's counsel and the results have not as yet been announced.

Zurn Industries, Inc. Sept. 13, 1960, letter of notification) 100,000 shares of common stock (par $1), of which 100,000 shares are to be offered for the public sale. Proceeds—To be used for the purchase of additional equipment, or to retire outstanding indebtedness. Proceeds—Underwriter—In accordance with amendment.

**ATTENTION UNDERWRITERS!**

**Prospective Offerings**

Advanced Industries Corp. Sept. 20, 1960, announced that a "Reg. A" filing covering 100,000 shares of the company's 10-cent par-common stock (par $1) will be made. Proceeds—Underwriter—Manufacturer of furniture. Proceeds—For equipment and general corporate purposes. Office—304 Main St., Westport, Conn.

Alberta Gas Trunk Line Co., Ltd. Sept. 4, 1960, announced that new financing of approximately $60,000,000 mostly in the form of serial bonds of this year with the Federal Communications Commission.

American Investment Co. Nov. 8, 1960, Donald L. Barnes, Jr., executive vice-president, announced that dividend financing is expected in early 1961, for the purpose of acquiring capital notes and $4,000,000 to $6,000,000 of coordinated notes. Office—205-2nd St., S. W., Calgary, Alberta, Canada.

Arkansas Power & Light Co. Sept. 20, 1960, it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering of approximately 1,000,000 shares of additional common stock via a Regulation "A" filing being made to occur in mid-1961. Office—333 W. Chestnut St., Columbus, Ohio Underwriter—Veroce & Columbus, Ohio.

**Prospective Offerings**

**Prospective Offerings**


Automatic Labs Inc. Sept. 14, 1960, it was reported that a "Reg A" filing is expected to be filed by the company. Office—L. N. Y. Sanduh, Sanford City, Fla. Underwriter—In accordance with amendment.

Baltimore Gas & Electric Co. Oct. 3, 1960 it was reported that the utility expects to sell $10,000,000 in the form of additional equipment loans, or preferred stock, sometime during the first half of 1961. Office—First National Bank Building, Baltimore, Md. Underwriter—To be determined at the time of offering. Probable bidders: Halsey, Stuart & Co.; White, Wold & Co. Underwriter—In accordance with amendment.

Bancroft, Roper, Haffner & Co., Inc. Sept. 20, 1960, announced that the "Reg A" filing covering of the company's 100,000 shares of common stock (par $1) will be made. Proceeds—Underwriter—In accordance with amendment.
Booth Entertainments Inc. Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 per cent common stock will be offered for subscription to all stockholders, according to a notice of the company. The letter of notification will be filed with the Secretary of State and will be available to the public for examination and general corporate purposes. Office—11-54 4th Ave., Long Island City, N. Y. Underwriter—Harvey Securities, 1767 Broadway, New York City.

Brooklyn Union Gas Co. Sept. 27, 1960 Mr. H. V.UNG, Vice-President, announced that there will be no further financing in 1960. It is expected to purchase, spread, or bond or preferred stock are expected in late 1960 or early 1961. Office—107 Bensen St., Brooklyn 1, N. Y.

Business California. Nov. 18, 1960 George H. Dorenheul, Board Chairman of Dorehenreul, Inc., reported that the firm is contemplating a large public offering. Business—This is a small business investment company formed to 1960. The company has reported that it will sell as many as 18 products of various sizes and prices, and will also accept exfoil films for processing. Office—One Union Trust Co., Underwriter—Dorehenreul, Inc., New York.

California asbestos Corp. Sept. 28, 1960 it was reported that discussion is under way concerning the sale of about $50,000 of common stock. It has not yet been determined whether this will be a full offering or a "Reg. A." Issue—The company, which is not yet in operation but which has pilot plants, will mine and mill asbestos. Proceeds—To set up a publication business. Office—Chicago, Calif. Underwriter—E. E. Bernhard & Co., Beverly Hills, Calif.

California Oregon Power Co. Oct. 18, 1960 it was reported that the company expects to issue about $200,000 of common stock in the form of approximately $7,000,000 of bonds and $5,000,000 of stock. Proceeds—For expansion of the business. Office—97-02 Jamaica Ave., Woodhaven, N. Y. Underwriter—R. F. Dowd & Co., Inc.

Casabian customs. Sept. 21, 1960 it was reported by Mr. Casas, President, and Mr. Casabian, Vice-President, that $11,750,000 of common stock and $10,000,000 of debentures will be sold. Proceeds—For expansion by the purchase of new plants, purchase new equipment, and for working capital. Office—Corona, Calif. Underwriter—R. F. Dowd & Co. Inc.

Exploit films Inc. Oct. 9, 1960 it was reported that the company will file a letter of notification consisting of 150,000 shares of common stock, $100,000,000 of bonds, and $50,000,000 of stock. Proceeds—For the production of motion picture films, the reduction of indebtedness, and for working capital. Office—919 W. 3rd St., Chicago, Ill. Underwriter—C. J. McCloy & Co., Inc., 26 Broadway, New York City. Registration—Expected in December.

First Real Estate Investment Fund Nov. 19, 1960 it was reported that a stock offering of $20,000,000,000 will be made. Proceeds—For the development of new buildings. Office—New York City. Underwriter—Westbury, L. I. Underwriter—R. F. Dowd & Co. Inc.

Florida Power & Light Co. Aug. 25, 1960 it was reported that an indication of a new offering in the form of about $20,000,000 of common stock will be filed. Proceeds—For the manufacture and installation of new equipment and for working capital. Office—Tampa, Fla. Underwriter—Flower & Co., Inc.

Ford Credit Corp. Oct. 17, 1960 it was reported that the company is developing an underwriting interest in the insurance of debt securities, and possibly owning a finance company in 1961. Office—Detroit, Mich.

General Resistance, Inc. Sept. 19, 1960 it was reported that the company will file a letter of notification, containing 100,000 shares of common stock. Proceeds—For the insurance of debt securities, and possibly owning a finance company in 1961. Office—Detroit, Mich.

Hemingway Brothers Interstate Trucking Co. Sept. 19, 1960 it was announced that the company plans to sell $200,000,000 of common stock and $100,000,000 of preferred stock. Proceeds—For expansion of the distribution system. Office—P. O. Box 406, Salt Lake City, Utah.

Huntington Lighting & Power Co. Oct. 17, 1960 it was reported by Mr. H. 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 699, Yakulton South Dakota. Underwriter—Mr. Johnson states that the company is actively seeking an underwriter.

Indianapolis Power & Light Co. Aug. 25, 1960 it was announced that the company will sell $14,000,000 of common stock to the SEC, 1963. Office—25 Monument Circle, Indianapolis, In.

Industrial Grade & instrument Co. Oct. 20, 1960 it was reported that the company plans to sell about $500,000 of common stock will be filed. Proceeds—For the manufacture and installation of new equipment by a subsidiary. Office—1947 Broadway, Bronx, N. Y. Underwriter—E. S. Dowd & Co., Inc.

International Steel Corp. Oct. 20, 1960 it was reported that the company plans to sell about $500,000 of preferred stock of class A common stock, (par $2). Proceeds—$3 per share. Proceeds—For the purchase of outstanding loans, purchase of plant, equipment, and machinery and for working capital. Office—350 Equitable Bldg., New York City. Underwriter—Copley & Co., Colorado Springs, Colo.

Iowa-Illinois Gas & Electric Co. Oct. 19, 1960 it was reported by Mr. D. M. Allen, company treasurer, that 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 $72 million of which $10-11 million will have to be raised externally. Office—600 2nd St., Davenport, Iowa.

Japan Telephone & Telegraph Corp. Oct. 27, 1960 it was announced that this government-owned telephone company wishes to issue $1,000,000,000 of first mortgage bonds in the United States. Proceeds—For underwriters, should you know of some of the company's needs to the Peabody & Co. Offering—Expected in the Spring of 1961.

Kawasaki Steel Co., Ltd. Oct. 19, 1960 it was reported that the Japanese company is considering a $4,000,000 bond issue for U. S. offering. Expected offering by Boston Corp., New York City.

Laclede Gas Co. Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the company plans to sell $15,000,000 of common stock, $100,000,000 of par bonds. Proceeds—For U. S. offering. Office—101 Olive St., St. Louis, Mo.


Macrose Lumber & Trim Co., Inc. Nov. 7, 1960 it was reported that a substantial amount of common stock is expected to be offered to the public in early 1961. Office—2090 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paints & Wallpapers Aug. 29, 1960 Office—214 E. 23d St., New York City. It is expected that registration is expected of the company's first public offering, which is expected to consist of about $65,000,000 of convertible debentures and about $100,000 of common stock. Proceeds—For working capital and other business development. Office—133 W. 23d St., New York City. Underwriter—Salomon Bros. & Huttler. Bid—To be received.

Midland Enterprises Inc. April 8 it was stated in the company's annual report that the company plans to sell $2,000,000 of debentures and $10,000,000 of common stock in December or January. Office—20606 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Mississippi Business & Industrial Development Corp. Nov. 19, 1960 it was reported that the company will sell $1,000,000 of 10 per cent common stock, of which $500,000 will be subscribed for by utility companies, $500,000 will be sold to the general public, and the general public. Proceeds—To assist in the development of the location and expansion of businesses in Mississippi.

Montana-Dakota Utilities Co. Oct. 15, 1960, W. T. Wal՝, Treasurer, stated that company plans to sell $5,000,000 of preferred stock ($100 par), sometime in mid-January. Stockholders are to vote on page 47.
Continued from page 41

Dec. 13 on increasing the authorized preferred, Proceeds—For expansion. Office—900 15th St., Denver, Colo. Underwriter—To be determined by competitive bidding. Last equity financing handled on 1961.

Public Service Electric & Gas Co. (12/13)

Puget Sound Power & Light Co.
Nov. 10, 1960 it was reported that the number of author- ities, lawyers, and underwriters was about 2,500,000 of which 4,250,000 shares were sold, and 5,000,000 were held by the company. The SEC filing is expected by Dec. 15. Price—To be supplied by Lynch & Co., underwriting. Underwriter—Previous financing has been handled by Blyth & Co.

RCA Elecronics, Inc.
Nov. 4, 1960 it was reported that a December letter of notification is expected comprising this firm’s first and second market issue. Proceeds—For expansion. Office—New York, N. Y. Underwriter—Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

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—First Boston Corp., New York City.

Southwest Power Co. (10/1)
Nov. 19, 1960 it was reported that the offering of debentures of the company is expected to be handled by Kuhn, Loeb & Co., underwriting. Price—To be determined by competitive bidding. Underwriter—To be named.

Television Associates (12/13)
Dec. 2, 1960, W. M. Elmer, President, stated that the company is planning a $25,000,000 debt and equity financing to be handled by First Boston Corp., underwriting. Proceeds—For pipeline expansion. Office—Oswego, Ky. Underwriter—Last sale of preferred stock on October 1960 was handled by one firm.

Trans World Airlines, Inc.
Oct. 10, 1960 it was announced that financing needs have been reduced from the original figure of $25,000,000 with $16,000,000 to be loaned to the company. In addition, the company has secured $50,000,000 to be drawn from internal sources, and $100,000,000 from the proposed sale of common stock to be held as a purchase warrants to TWA stockholders. Proceeds—To give TWA direct ownership of a jet passenger aircraft. Office—New York City. Underwriters—Lazard Freres & Co., Lehman Brothers, Inc., and Kuhn, Loeb & Co., underwriting.

Truckline Gas Co.
Dec. 6 it was reported that Howard Hughes is said to have agreed that his organization might get $31 million in financing to pay for a fleet of jet airliners. The proposed deal is expected to be handled by Kuhn, Loeb & Co., underwriting.

Trunkline Gas Co.
Sept. 28, 1960 it was reported that approximately $15,000,000 of new bonds and $5,000,000 of preferred stock are expected to be offered in the second quarter of 1961. Office—New York, N. Y. Underwriters—Salomon Brothers, Inc. and J. Underwriter—Plymouth Securities Co., New York City.


Rent-a-car Operators, Inc.
Nov. 19, 1960 it was reported that the company is planning a $20,000,000 debt and equity offering to be handled by Kuhn, Loeb & Co., underwriting. Proceeds—For pipeline expansion. Office—Pierce, Fenner & Smith, Inc., New York City.

Van Dusen Aircraft Supplies, Inc.
Nov. 1, 1960 it was reported that registration is expected to be handled by Lehman Brothers, Inc. Proceeds—To retire bank loans. Office—Seattle, Wash. Underwriter—Stroud & Co., Philadelphia, Pa.

Virginia Electric & Power Co. (6/13)
Sept. 28, 1960 it was reported that the company will need $300,000,000 to $350,000,000 from outside sources in 1961. The planning will probably take the form of bonds and timing will depend upon market conditions. Proceeds—To retire unsecured debt. Office—Richmond, Va. Underwriter—To be determined by competitive bidding. Underwriters—Salomon Brothers, White, Weld & Co. and Shields & Co., underwriting.

Western Union Telegraph Co.
Sept. 28, 1960 it was reported that this company has filed a plan with the FCC to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan is expected to be handled by Western Union International of $4,000,000 of senior 15-year notes to be taken up or placed by American Securities Corp., New York. In addition, about $4,000,000 of unsubordinated debentures and 600,000 shares of class A stock would be offered to stockholders of Western Union Telegraph Co. American Securities Corp. Would hold an additional 133,000 additional shares of class A stock giving American Securities 42% of the company’s voting stock. Proceeds—To purchase Class A stock of WUI. In addition, Western Union International will purchase 80,000 shares of class B stock for $100,000. Office—66 Hudson St., New York, N. Y. Underwriter—American Securities Corp. (managing).

Whitehall Jewelry Co.
July 19, 1960 it was reported that this New Jersey company plans to register an issue of common stock. Underwriters—To be named. Office—New York, N. Y. Registration—Expected in December.

Winnon Wood Products Co.
Aug. 3, 1960 it was reported that a full filing of class A stock is contemplated. Business—The company makes wood cabinets for household and industrial purposes. Proceeds—Metropolitan Securities Inc, Philadelphia, Pa.

Winter Park Telephone Co.
May 20, 1960 it was reported that this company, during the first quarter of 1961, will issue and sell approximately $3,000,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders of the company and may or may not be underwritten by one or more underwriters. Proceeds—To purchase 15,000 shares of $2,000,000 of bonds in the second quarter of 1961. Office—122 East New Avenue, Winter Park, Fla.
Money Gifts the Answer?

"We must bring fresh hope to the less privileged people with whom there is such a large proportion of the population in many of the countries of Latin America. We must open before them the path to a better life, to the growth of material well-being, equality and dignity."

"We must help them to replace a hovel with a home. We must help them to secure ownership of the land and the means for its productive use.

"We must help them to enjoy and use the fruits of modern knowledge for themselves, their families and their country. It is not enough only to construct modern factories, power plants and office buildings.

"These things are essential to the development process. But it often takes many years for their benefits to reach down to the ordinary citizen. We must therefore broaden our efforts to help all of the people."—Douglas Dillon, Under Secretary of State to the Bogota Americas Conference.

To the extent that these people are really "less privileged" and their need is truly one of want, the remedy would appear to lie not so much in monetary gifts as in changes in domestic policies. In any event more from foreign generosity will be required to reverse the situation. Let no one fail to recognize that fact.

Electronics Stock Offered

Gen'l Automation Common Offered

Techni Electronics, Inc. offered via a NYSE prospectus 30,000 shares of common stock at $11 1/2 per share through United Underwriting Corp. of Newark, N. J. The company of 71 Crawford St., Newark, N. J., was organized on the laws of the State of New Jersey in October 1937 by Electric Electronics, Inc. Its name was changed in July 1960 in order to avoid conflict in name of an affiliated corporation organized under laws of the State of New York.

It is engaged in the manufacture, sale and distribution of electronic and electrical products in the areas of electronic, medical and houseware fields.

The company has developed and is clinically testing a product designed to stimulate heart action in cases of actual or imminent heart stoppage. The device has been successfully tested under laboratory conditions. Due to the circuitry designed and developed by the company, the size of the company's electronic heart stimulator has been reduced to that of a cigarette case, and is completely portable. Unlike the cabinet-size machine now utilized, it is carried in a Physician's bag.

The net proceeds of the offering are estimated at $345,750 after the expenses of the offering. It is expected that they will be utilized as follows: approximately $290,000 to retire bank; $25,000 for the acquisition of plants and equipment; $12,500 for development and research; $14,500 to repay loans to stockholders; $10,000 for advertising and promotion; and the balance of approximately $62,250 for working capital and general corporate purposes.

The utilization upon the completion of the offering will consist of 50,000 shares of common stock authorized, of which 25,500 shares will be outstanding.

Federal Street Fund Inc. Offered

Federal Street Fund, Inc., a newly formed investment company designed to appeal to institutional investors, is making an offering of its common stock in exchange for blocks of securities owned by subscribers. Public offering price is the net asset value, $100 per share, and the exchange of up to 100 authorized units using unlisted securities having a net market value of at least $28,000 are deposited with Morgan Guaranty Trust Co. of New York as a repository for the fund prior to Feb. 1, 1961. The minimum single exchange is set at $50,000. The Fund has an authorized capitalization of 500,000 shares of common stock.

Goldman, Sachs & Co., will act as Dealer Manager for a group of securities dealers who will solicit deposits of securities to be exchanged for shares of the Fund. The main purpose of the Fund is to provide investors holding large blocks of acceptable securities with a method of diversifying their holdings without realizing gains for Federal income Tax purpose at the time of the exchange. The investment objective of the Fund is to seek possible long-term growth of capital and income from investments in the securities exchanges of the world.

The initial period for depositing securities will expire Feb. 1, 1961. Following termination of the deposit period, the Fund will issue to each depositor a report listing all securities on deposit as well as their tax costs and market values. At any time during the deposit period and for a period of three weeks following the issuance of this report, depositors may withdraw their deposits without cost. The Fund will then have up to ten days in which to reject deposited securities, in order to achieve the desired balance and diversification of its portfolio.

Form Hamilton Secs.

MIAMI BEACH, Fla.—Hamilton Securities Corp., a newly organized firm, filed with offices at 1604-A Washington Avenue to engage in a securities business. Officers are Herbert I. Telles, President; Diane Marshall, Vice-President; and D. D. Singer, Secretary-Treasurer. Mr. Telles was formerly with Robert L. Fer¬man & Co.

DIVIDEND NOTICES

**CERRO DE PASCO CORPORATION**

The Board of Directors of Cerro de Pasco Corporation, at a meeting held on December 6, 1960, declared the following quarterly dividends on the Common Stock:

Cash Dividend No. 162

Twentysix and one-half cents ($2.625) per share, payable December 15, 1960, to stockholders of record on December 22, 1960.

5% Stock Dividend

A stock dividend at the rate of 5% of each 100 shares, payable on December 22, 1960, to stockholders of record on January 16, 1961.

M. D. David

Secretary

300 Park Avenue

New York 21, N. Y.

CONTINENTAL BAKING COMPANY

Preferred Dividend No. 88

The Board of Directors has declared this quarterly dividend of $1.15 per share on the outstanding preferred Stock, payable January 1, 1961, to stockholders of record at the close of business December 9, 1960.

Common Dividend No. 63

The Board of Directors declared this dividend at a regular quarterly dividend, for the fourth quarter of the year 1960, of 554 per share on the outstanding Common Stock, payable December 22, 1960, to stockholders of record at the close of business December 9, 1960.

The above cash dividends will not be closed.

William Fisher

November 30, 1960


150th DIVIDEND DECLARATION

The Board of Directors of this company on December 6, 1960, declared a quarterly dividend of Five Cents ($0.05) a share on the capital stock.

The dividend is payable December 31, 1960, to stockholders of record December 13, 1960.

A. H. Holfelder

Treasurer

November 30, 1960
WASHINGTON, D. C. — The White House is ready to send to Congress next month the all-important decennial census of 1960.

The census has tremendous significance, not only to the communities and the states, to the nation, and to business and industry, but to plant expansion and home building and shopping centers are already being mapped out for the future as a result of the census.

Not only does the census bear a wealth of data for individuals and business, but it has important political significance. There will be a reapportionment of the electoral vote of numerous states in the Presidential election of 1964.

There is no doubt about it—the people of the United States are sun conscious. Among other things sun rays are many, cheerful days. The sunshine states are the fast growing states.

Lure of the Sun

Perhaps more people want to live in California to escape the other states. Nevertheless, Florida seems to be close behind. Florida which was the 20th largest state 10 years ago, is today the 10th largest. There are predictions in Washington that in 1960 Florida will have exceeded the population of all of the northern states except New York. By the mid-1970's Florida is expected to have a population as big as Texas, the sixth largest state.

In 1960 the permitted place in a decade, Florida climbed over Kentucky, Missouri, Minnesota, Tennessee, Georgia, Ohio, Indiana, Mississippi, Missouri, New York, North Carolina and Indiana.

California, the second largest state in 1950, remained second in 1960, but its population increased by more than 9 million to 19 million. Its total of 15.7 million, which is 72% of the Southwest's total population.

Houston, Dallas and Phoenix each gained more than 300,000 during the decade. Concentration areas such as California, aircraft and metal working and population factors in this great growth. Houston is now the sixth largest city in the nation.

“Perhaps more than anything else,” said the Dallas Federal Reserve Bank's Business Review, “this review of population change is the most important factor and location re-emphasizes the importance of diversifying and maintaining the basic economic structure of the South and Southwest. Where job opportunities exist, the young and more productive segment of the population will remain, and others will be attracted elsewhere.”

Some Cities on Decline

The older cities in the North and the Mid-West showed a decline in population. Actually eight of the ten largest cities in the United States have a population loss within their boundaries. The exceptions were Los Angeles, the third largest, and Houston. Losing population were New York, Chicago, Philadelphia, Baltimore, Cleveland, Washington and St. Louis.

Federal Reserve Bank of Richmond, in its November Review, pointed out that the District of Columbia and West Virginia increased in population during the past decade, while Maryland, Virginia, North Carolina and South Carolina showed substantial gains.

Arkansas will each lose two seats.

Besides California and Florida, states that will gain seats are New Jersey, Ohio, Michigan, Pennsylvania, New York, New York, Texas, Arizona and Hawaii. The four states that will show a decrease in population are Texas and the one that Texas will pick up will offset the loss of two seats in Arkansas, and one each in Alabama, Mississippi and North Carolina in the South, which has not been solid in Presidential elections since 1944, and which may never be solid again as a political entity.

This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Challenger's own views.

Shearson, Hammill Admits Partners

On January 1, Shearson, Hammill & Co., 80 Pine St., New York City, members of the New York Stock Exchange will admit to partnership Wendell B. Barnes, vice-president and Harper C. Olmsdell, manager of the La Jolla office; Blair A. Phillips, Jr., and Charles Werner of the Chicago office; Richard J. Trewees, the firm's Los Angeles manager.

With Eastman Dillon

PHILADELPHIA, Pa. — Eastman Dillon, Union Securities & Co. & Co. has announced the appointment of Mrs. John W. Whittaker is now associated with their Philadelphia office as a registered representative.

CACKLES & CO.

FOREIGN SECURITIES

CARL MARKS & CO INC

FOREIGN SECURITIES SPECIALISTS

20 BROAD STREET • NEW YORK 1, N. Y.

TELEPHONE 2-0660

TELEGRAPH: 1-471

FOREIGN SECURITIES

The Security I Like Best

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This perspective in mind, Airwork's aggressive management proceeded to establish a jet accessory service shop in Miami. This facility will handle the overhauling, fuel and electrical systems for the Viscount, Convair 580, Grumman Gulfstream II, Lockheed Jet- Star, Boeing 727 and Douglas DC-9. Electrical connectors are also manufactured at Miami plant helping to step-up the already fast pace of Airwork OEM sales. While accessory overhaul volume totaled only 10% of sales in fiscal 1960, Airwork's management is confident that this phase of its business will expand significantly in the current fiscal year to end July 31, 1961.

In the five-year period through fiscal 1960, Airwork's sales have been running at an average compound trend, rising from $4.6 million in 1956, to a record $12.4 million, a gain of $7.8 million, or an average compound growth of 7.2%. The latest available balance sheet data for the company from May 31, 1960, shows $6,112,428 of current assets, against $2,308,312 of current liabilities, a current ratio of 2.6.

Looking at the current fiscal year that ended July 31, 1961, it has the makings of becoming a banner year for the company. Having expanded its scope of activities into the jet age with the establishment of its jet accessory service shop in Miami, a foreign exchange service, and sales of business plants continuing to soar, Airwork's volume should reach a record $15 million, with profit snowballing to the vicinity of $1.50 a share. At prevailing levels (8), Airwork is a prime candidate for a aggressive speculative value with the promise that the past steady growth in the stock price will continue. The unique scope of activities provide an excellent basis for material enhancement of earnings per share in the future.

The stock is traded in the Over-The-Counter Market.

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