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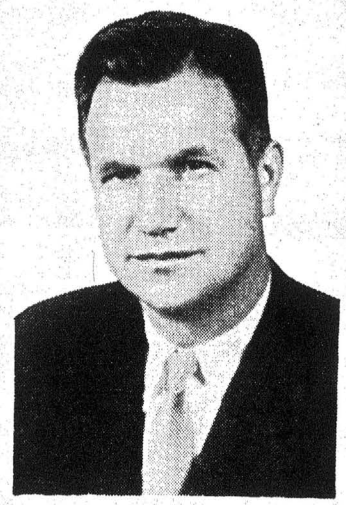

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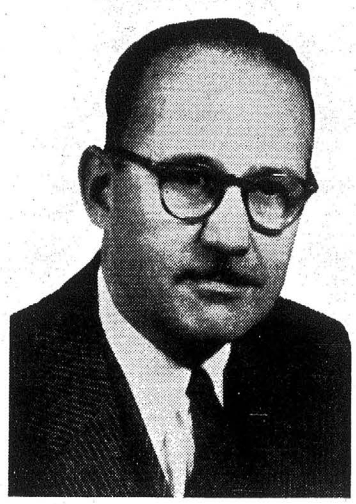

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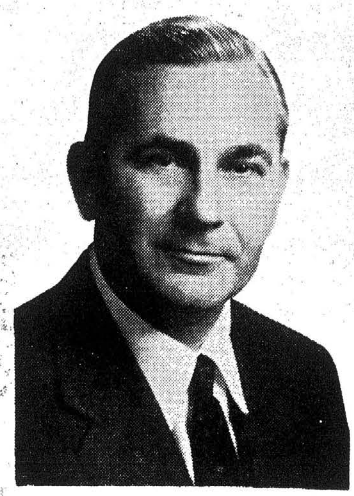

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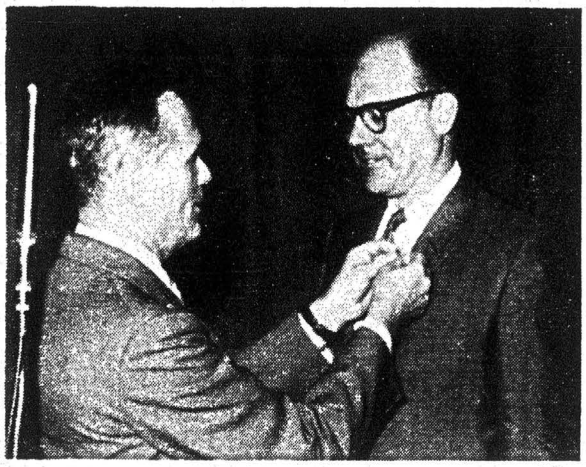

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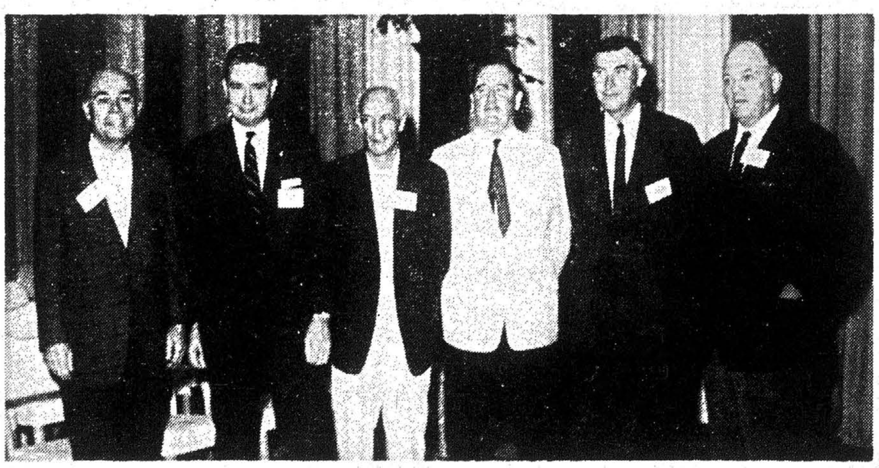

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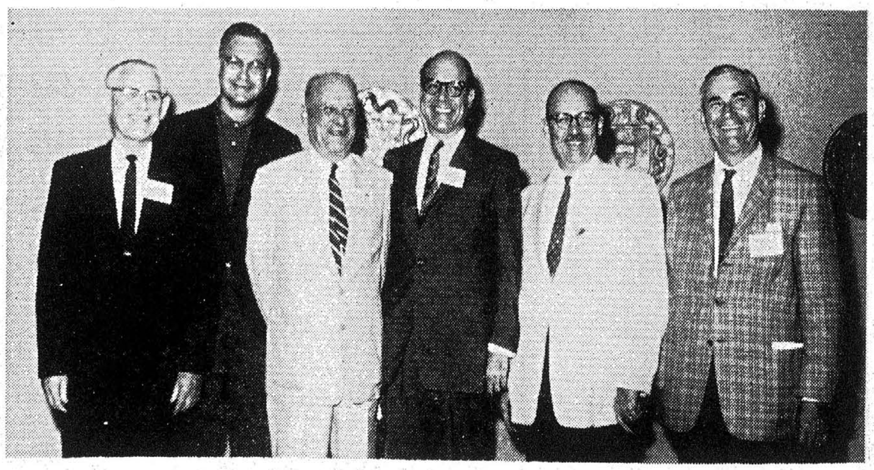

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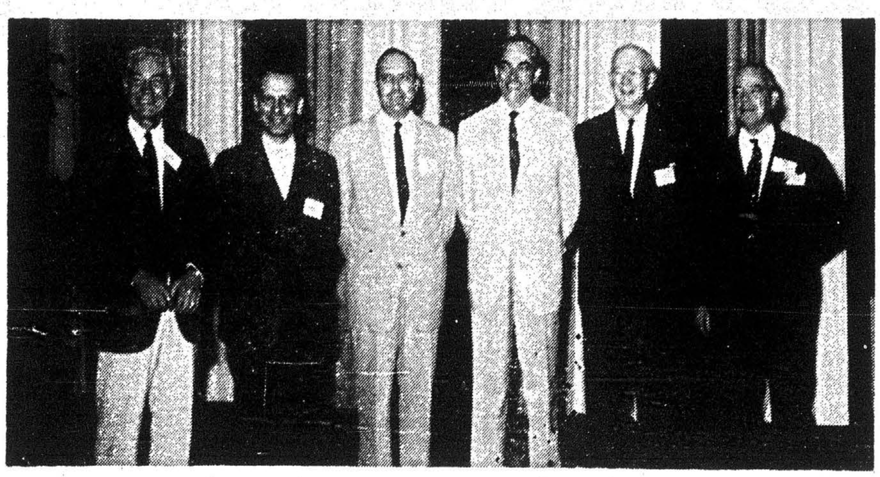

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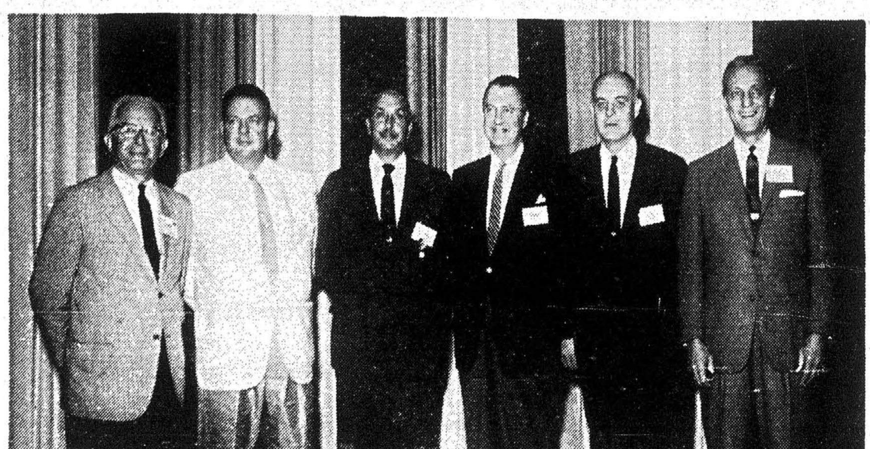

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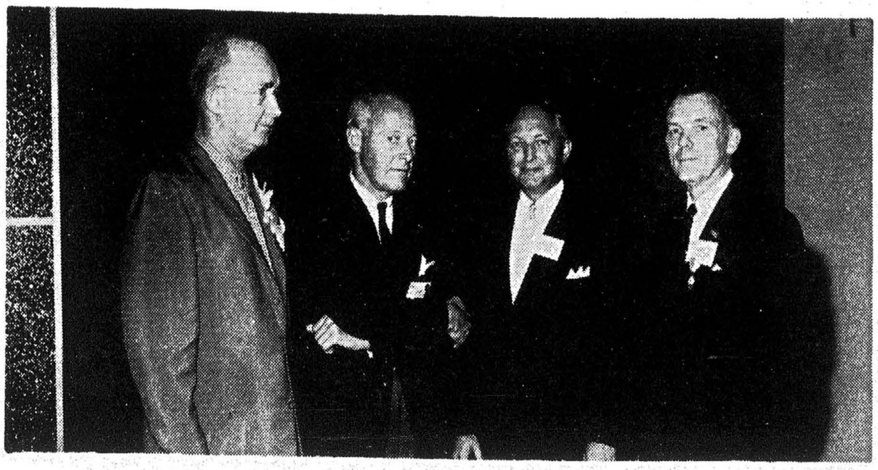

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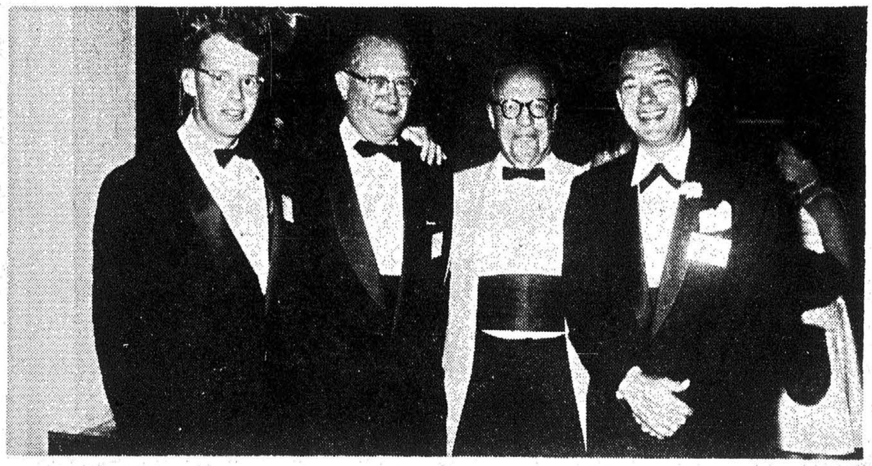

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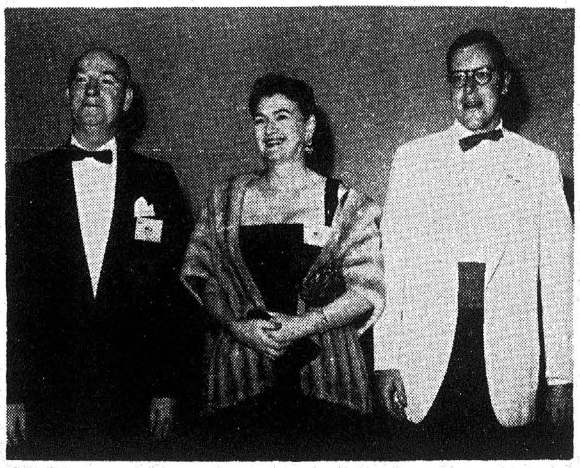

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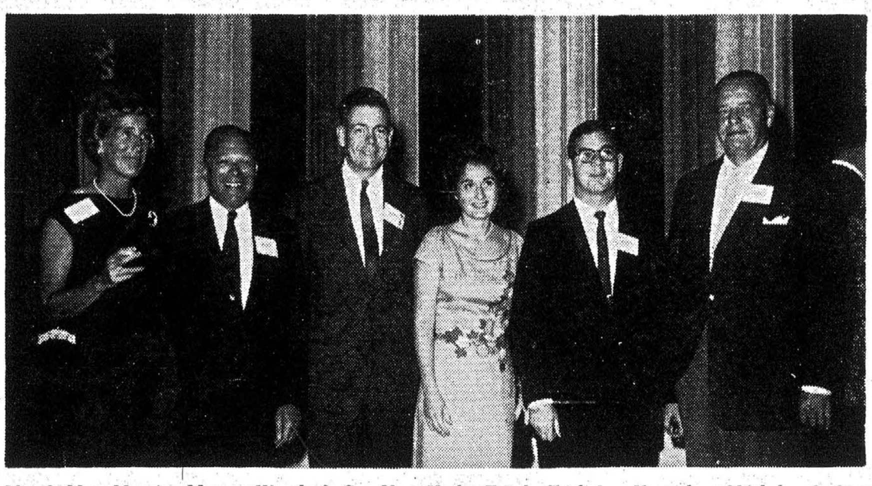

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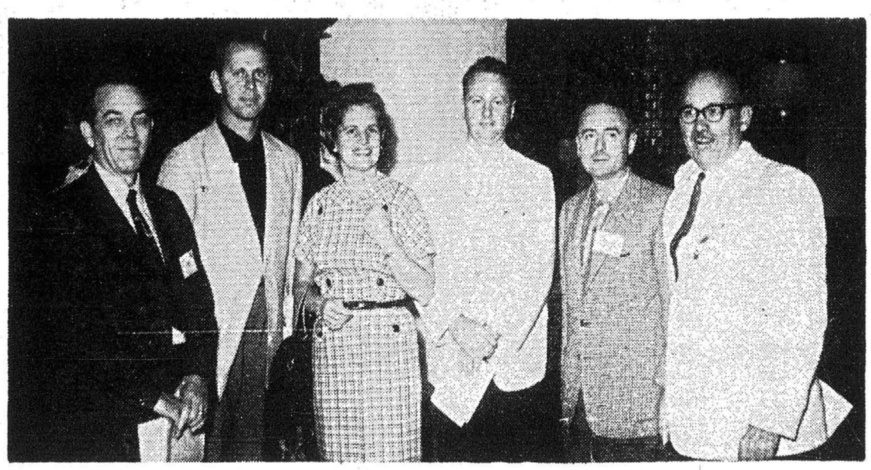

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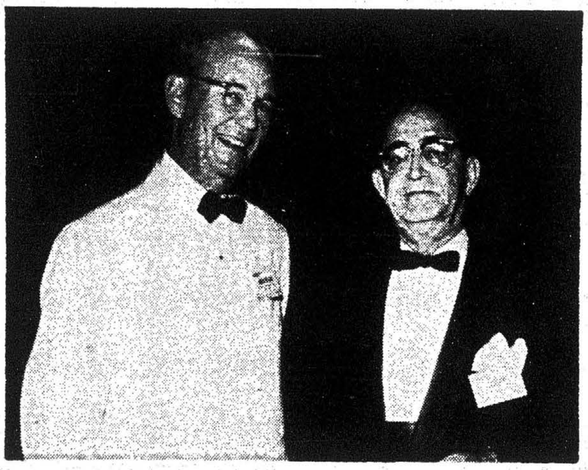

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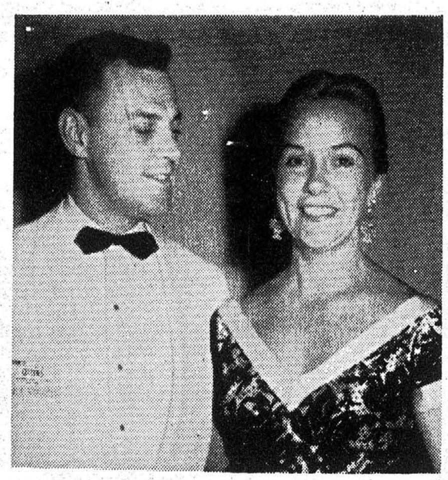

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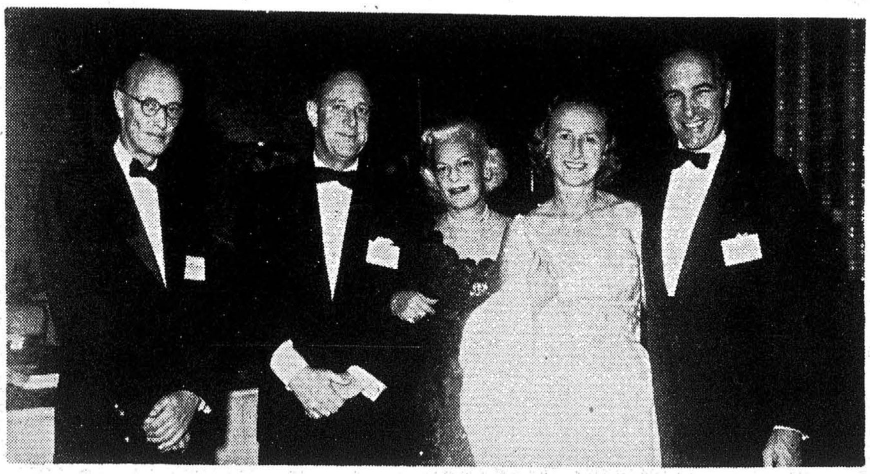

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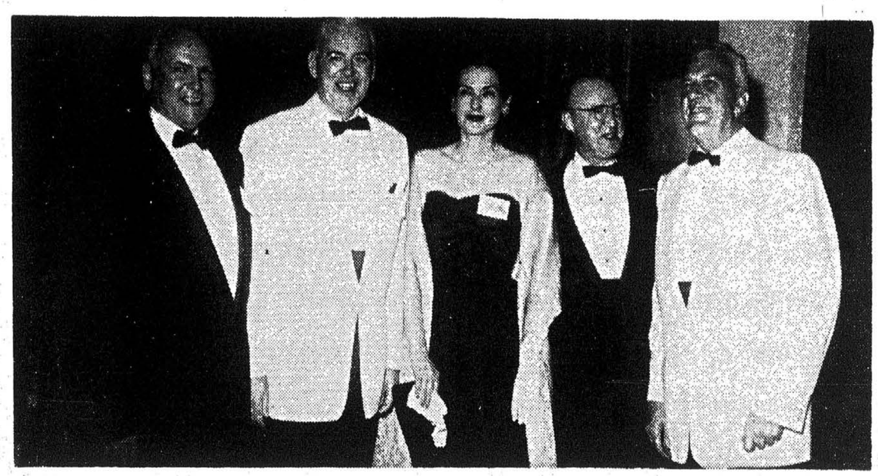

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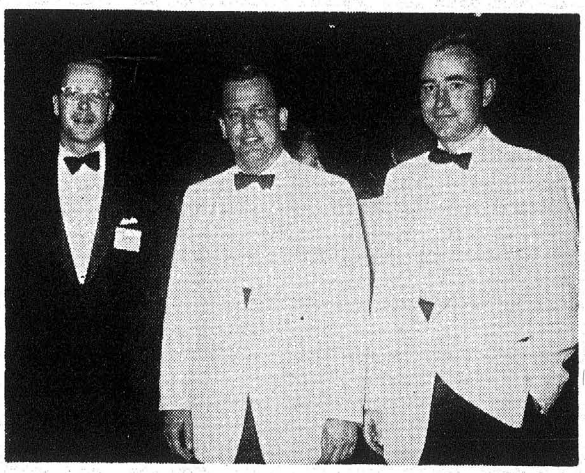

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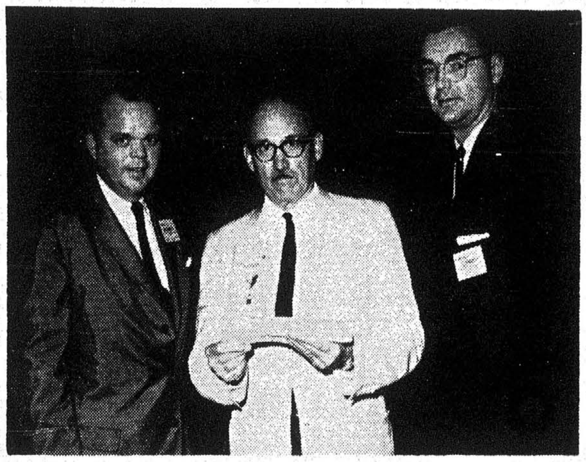

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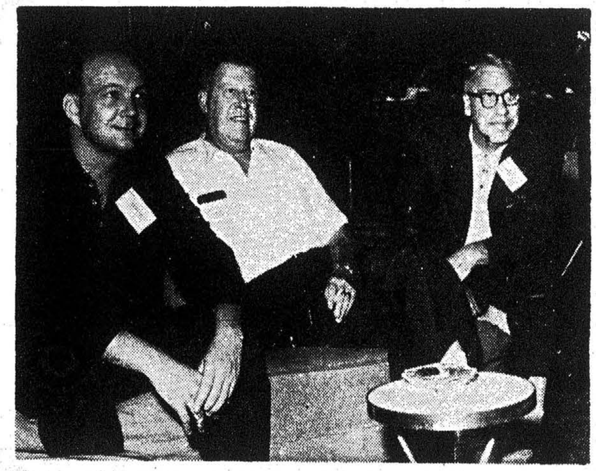

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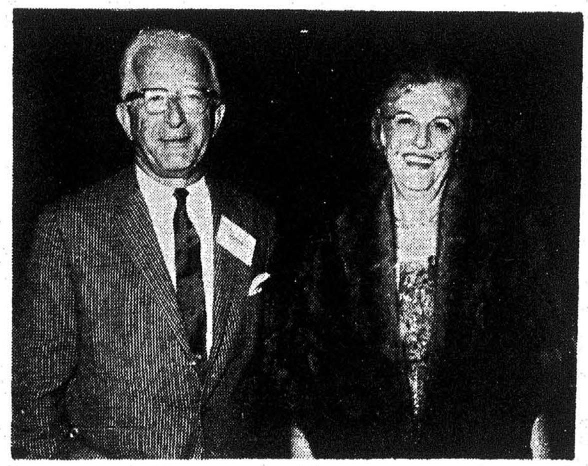

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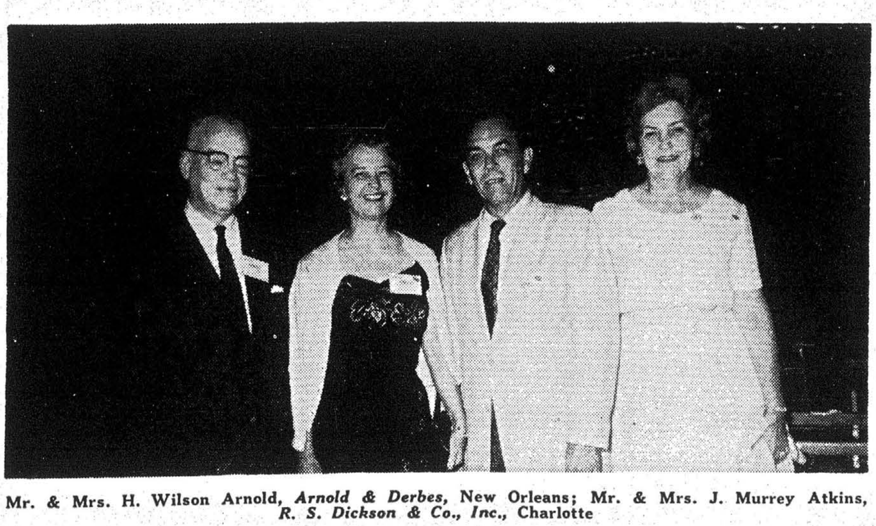

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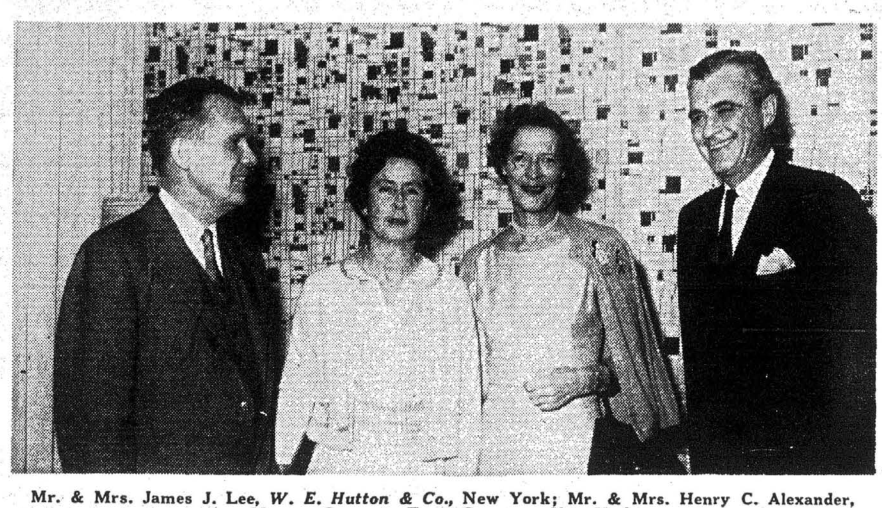

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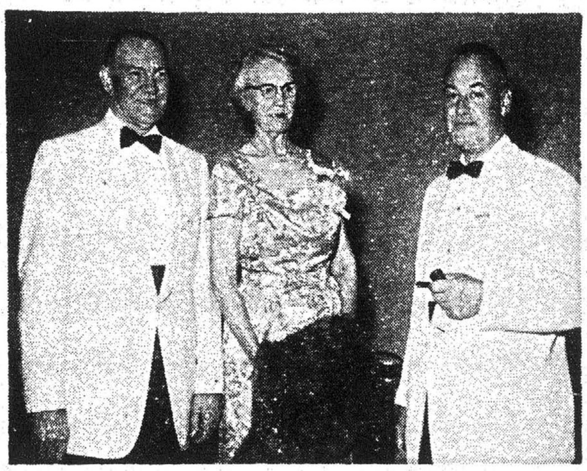

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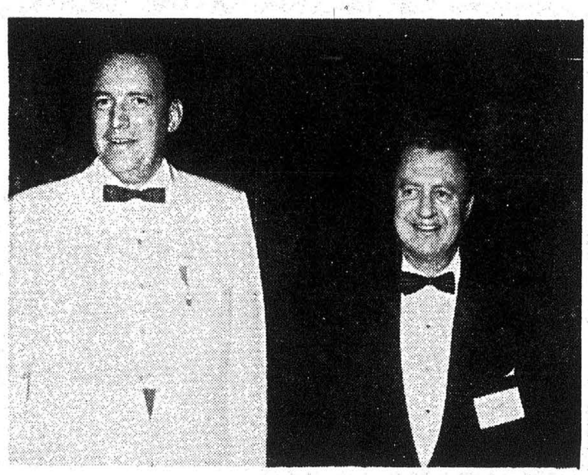

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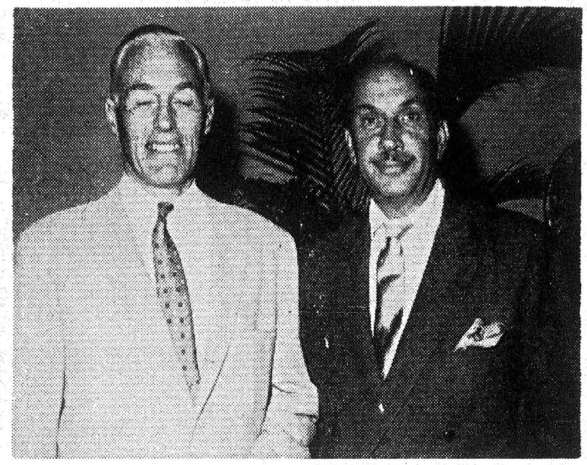

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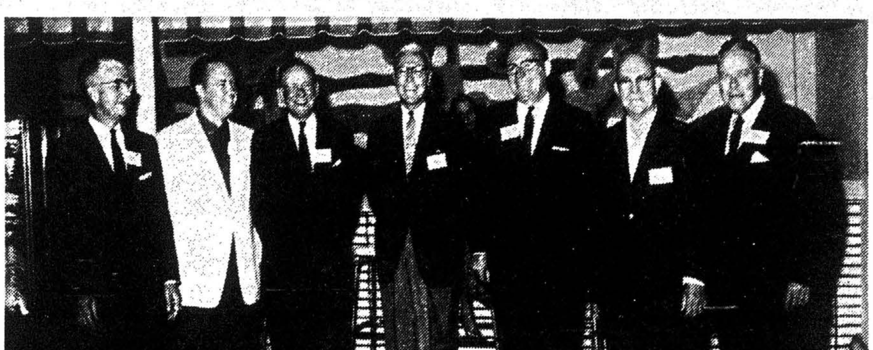

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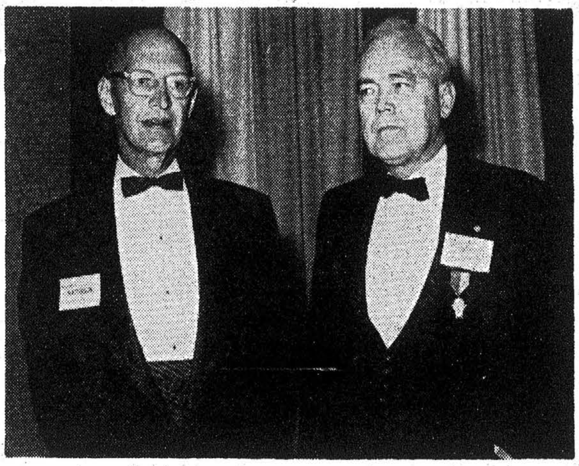

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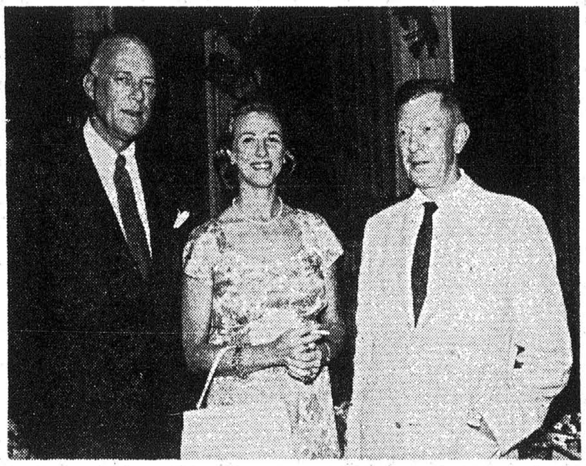

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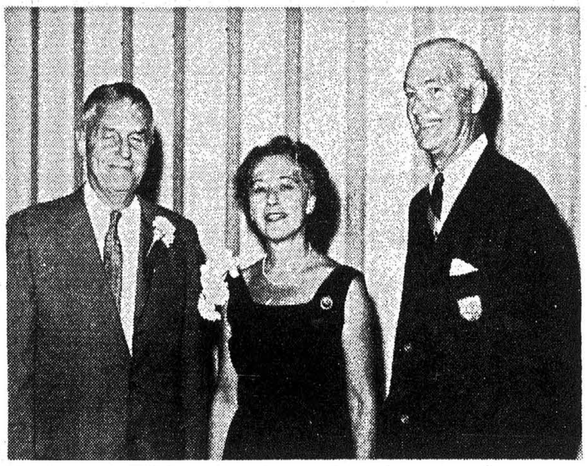

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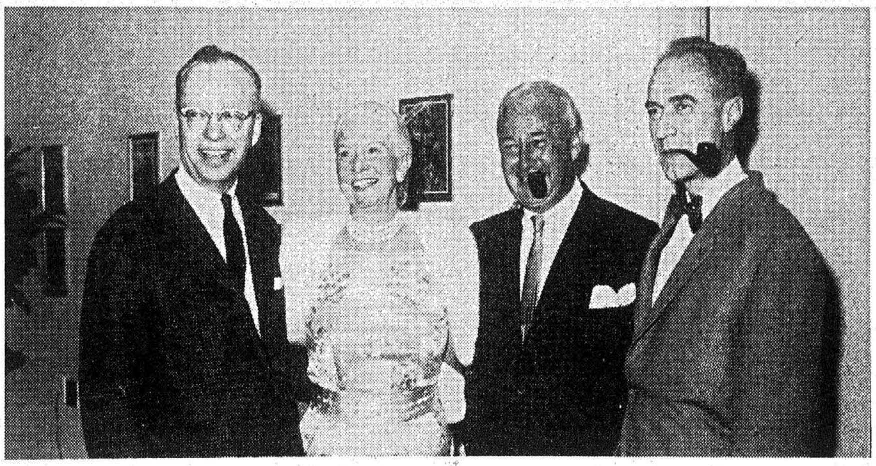

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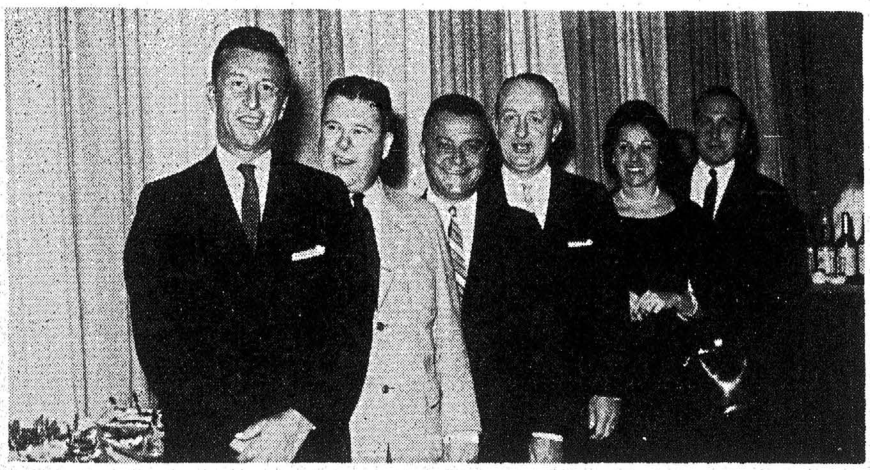
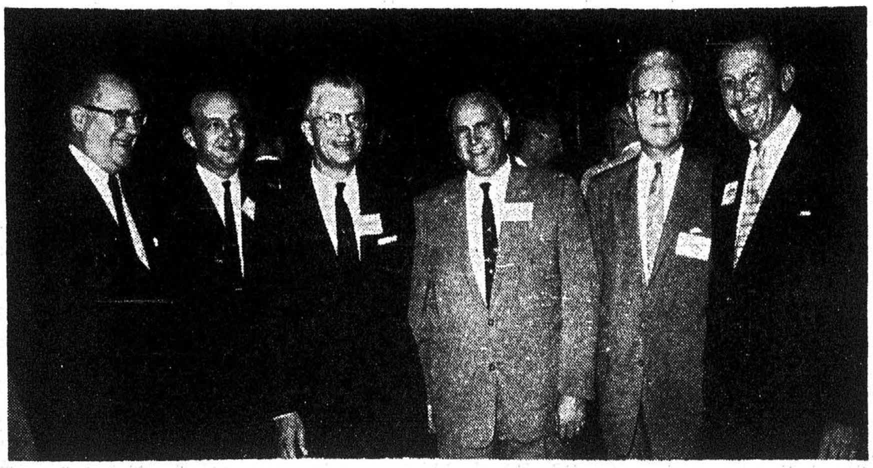
Calvin M. Cross, *Hallgarten & Co.*, New York; F. Bradford Simpson, Jr., *Hallgarten & Co.*, New York; Mr. & Mrs. Delmont K. Pfeffer, *First National City Bank*, New York; Rollin C. Bush, *First National City Bank*, New York

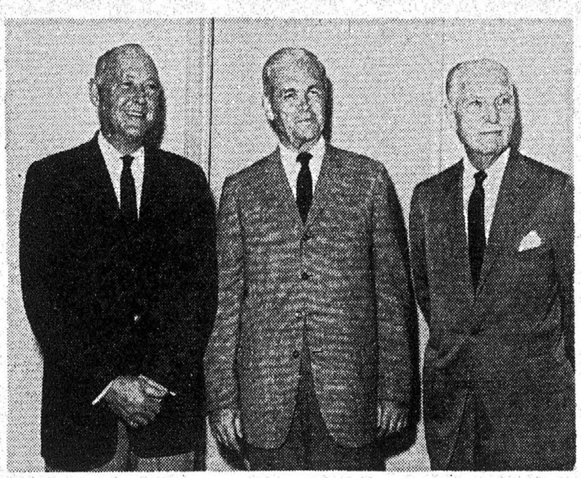
Mr. & Mrs. Alan K. Browne, *Bank of America, N. T. & S. A.*, San Francisco; Harvey Franklin, *Merrill Lynch, Pierce, Fenner & Smith Inc.*, San Francisco; Mr. & Mrs. O. V. Cecil, *Merrill Lynch, Pierce, Fenner & Smith Inc.*, New York



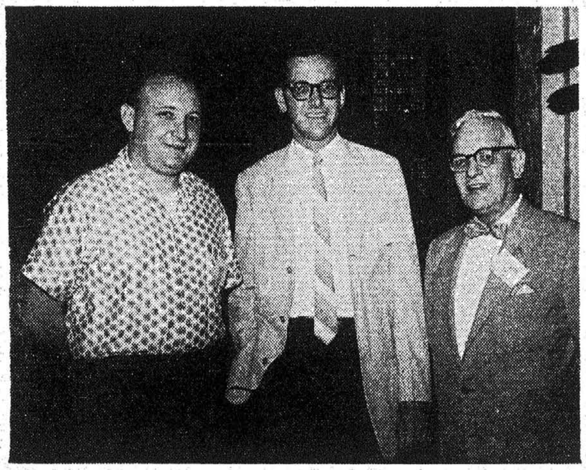
John Fitterer, *Wertheim & Co.*, New York; John W. de Milhau, *Chase Manhattan Bank*, New York; William A. Noonan, Jr., *Continental Illinois National Bank & Trust Co.*, Chicago; Edmund G. O'Leary, *Eastman Dillon, Union Securities & Co.*, New York; Mr. & Mrs. Frederick Klingenstein, *Wertheim & Co.*, New York



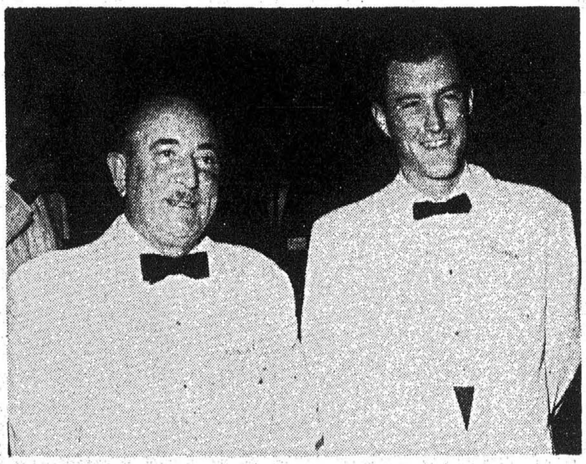
Arthur A. Christophel, *Reinholdt & Gardner*, St. Louis, Mo.; John P. Krause, *Reinholdt & Gardner*, St. Louis; Robert C. Mathews, Jr., *Trust Company of Georgia*, Atlanta; Walter H. Stohl, *Fidelity Union Trust Company*, Newark, N. J.; William W. Hibberd, *Trust Company of Georgia*, New York City; E. William Darmstatter, *Stifel, Nicolaus & Co. Incorporated*, St. Louis



Craig de V. Simpson, *Bankers Trust Company*, New York; Gale Willard, *Brown Bros. Harriman & Co.*, New York; F. D. Farrell, *City National Bank & Trust Company*, Kansas City, Mo.



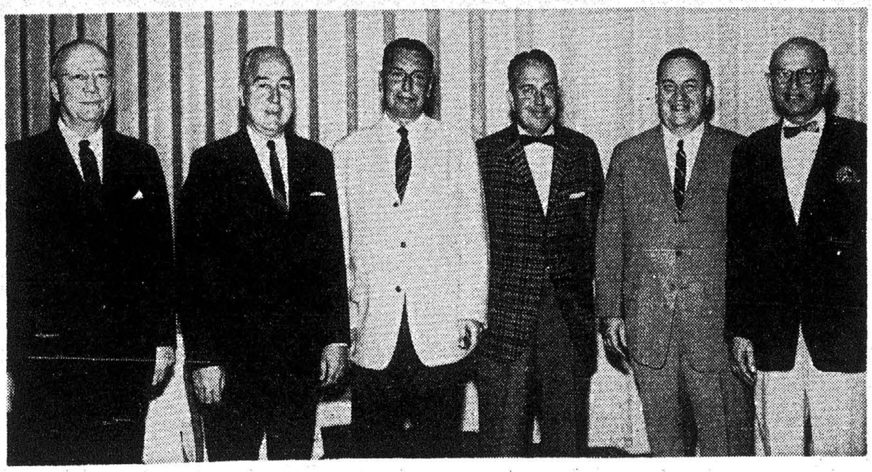
H. L. Maeir, *Sutro Bros. & Co.*, New York City; E. Blaine Steele, *H. J. Steele & Co.*, Pittsburgh, Pa.; L. S. Cotton, *H. J. Steele & Co.*, Pittsburgh, Pa.



Arthur R. Robinson, *Industrial National Bank*, Providence, R. I.; Richard S. Thornton, *First Pennsylvania Banking & Trust Co.*, Philadelphia

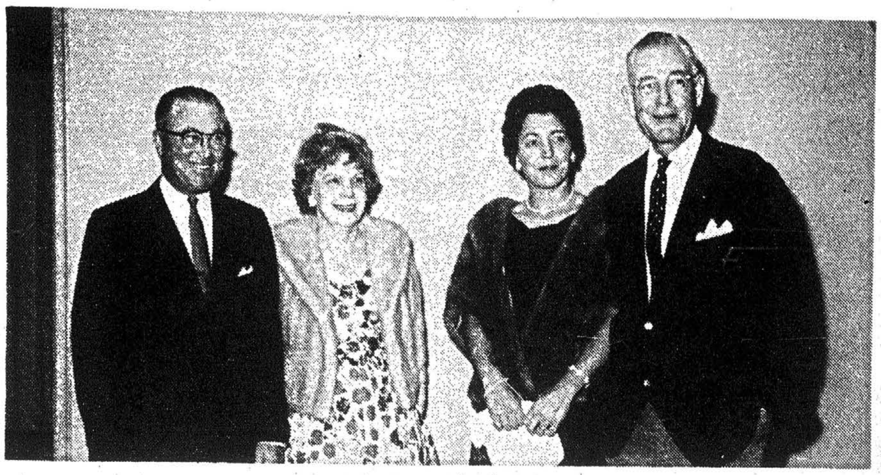
Mr. & Mrs. Edward E. Carpenter, *McDougal & Condon*, Chicago; Wilbur G. Inman, *John Nuveen & Co.*, Chicago; Mr. & Mrs. Frederick F. Johnson, *Barcus, Kindred & Co.*, Chicago

Mr. & Mrs. Theo Freeland, *American Securities Corporation*, New York; Norman D. Erlanger, *Asiel & Co.*, New York; John Wasserman, *Asiel & Co.*, New York



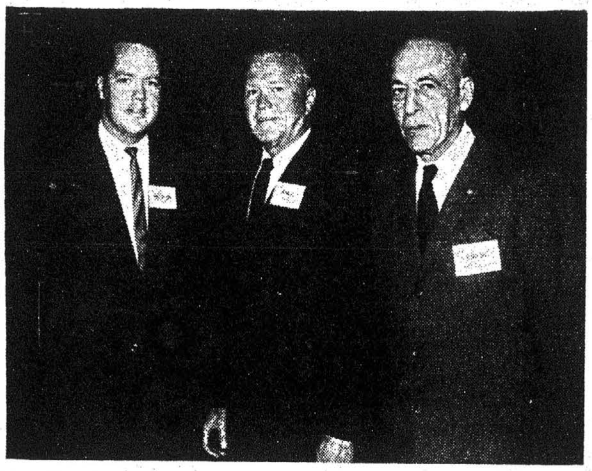
Frank A. Wood, *Goodbody & Co.*, New York; Walter V. Kennedy, *H. Hentz & Co.*, New York; Benjamin F. Peyser, *Newburger, Loeb & Co.*, New York; J. F. Musson, *Newburger, Loeb & Co.*, New York; James F. Reilly, *Goodbody & Co.*, New York; Lawrence Illoway, *Penington, Colket & Co.*, Philadelphia

Mr. & Mrs. G. S. Kemp, Jr., *Abbott, Proctor & Paine*, Richmond, Va.; Mr. & Mrs. Frank E. Block, *Citizens & Southern National Bank*, Atlanta, Ga.; Einer Nielsen, *J. C. Bradford & Co.*, Nashville; Mr. & Mrs. James W. Chandler, *W. L. Lyons & Co.*, Louisville, Ky.; Henry W. Putnam, *De Coppet & Doremus*, New York



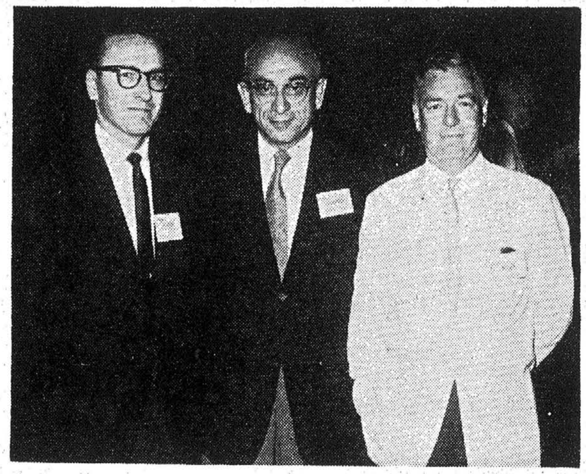
Mr. & Mrs. Robert G. Rowe, *Stroud & Company, Incorporated*, Philadelphia; Mr. & Mrs. Allen C. Du Bois, *Wertheim & Co.*, New York

William Byrne, *Phelps, Fenn & Co.*, New York; Mrs. Walter Morse; Mrs. William Byrne; Walter Morse, *Lehman Brothers*, New York

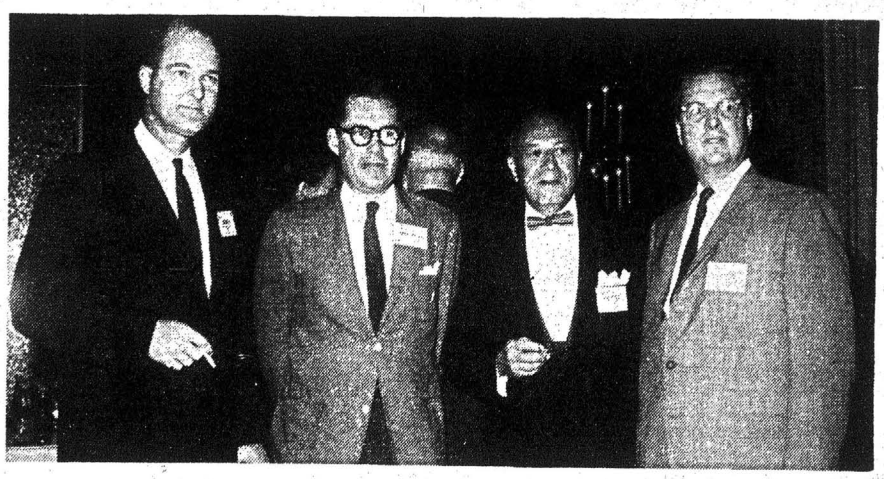


Tom Masterson, *Underwood, Neuhaus & Co.*, Houston, Texas; Russell R. Rowles, *Rowles, Winston & Co.*, Houston; Ralph Fordon, *Fordon, Aldinger & Co.*, Detroit, Mich.

William F. Morgan, *Blyth & Co., Inc.*, New York City; Arthur Horton, *Penington, Colket & Co.*, Philadelphia; Stanley A. Russell, *Blyth & Co., Inc.*, Philadelphia

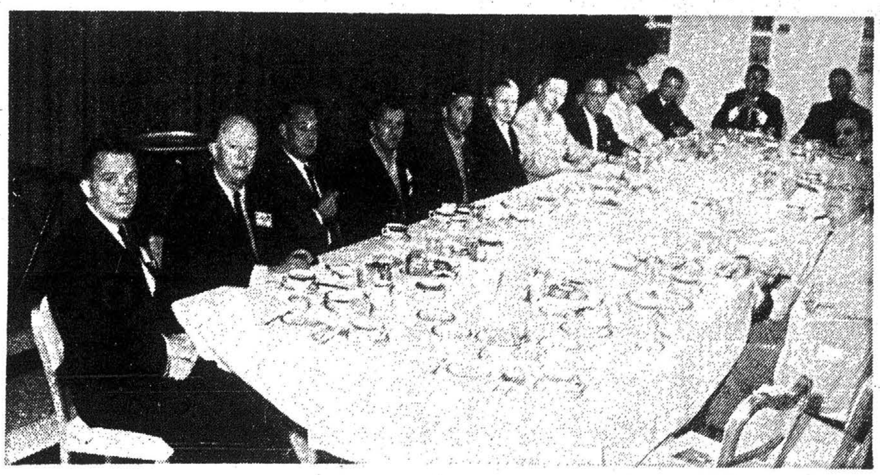


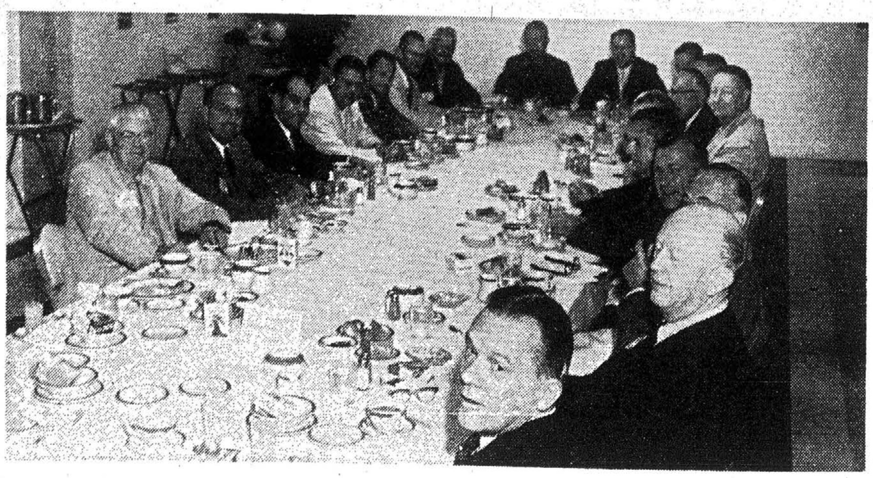
Gordon E. Heffern, *National City Bank*, Cleveland; Morris A. Schapiro, *M. A. Schapiro & Co.*, New York; Walter C. Nester, *M. A. Schapiro & Co.*, New York



John Gribbel, II, *Elkins, Morris, Stokes & Co.*, Philadelphia; W. Wallace Lanahan, Jr., *Stein Bros. & Boyce*, Baltimore, Md.; Arthur J. C. Underhill, *Arthur Wiesenberger & Co.*, New York; S. Grey Dayton, *Elkins, Morris, Stokes & Co.*, Philadelphia

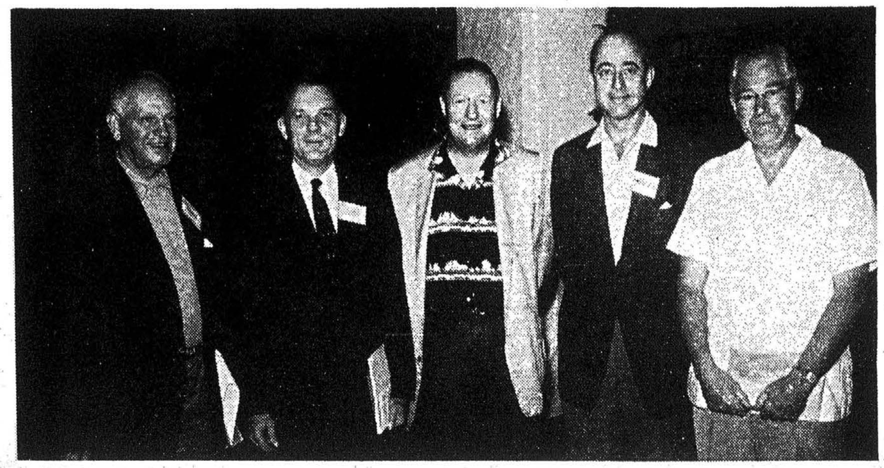
Gordon E. Heffern, *National City Bank*, Cleveland; Mr. & Mrs. Herman B. Joseph, *Joseph, Mellen & Miller*, Cleveland; Mr. & Mrs. William S. Gray, *Wm. J. Mericka & Co., Inc.*, Cleveland; John A. Kruse, *Prescott, Shepard & Co.*, Cleveland



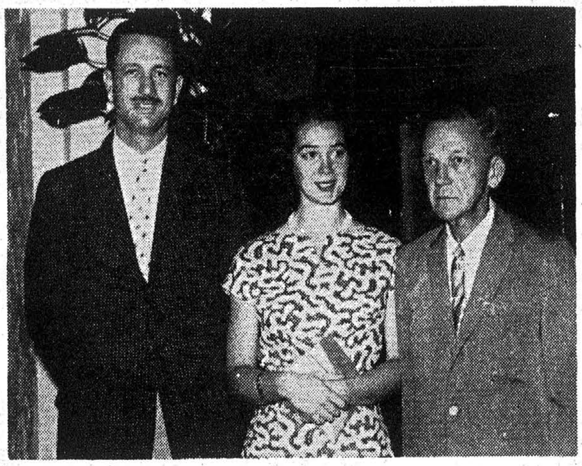


State Legislation Committee, Breakfast Meeting—Robert A. Podesta, *Cruttenden, Podesta & Co.*, Chicago, Chairman

Mr. & Mrs. Charles Pierce, *Rauscher, Pierce & Co., Inc.*, Dallas; Mr. & Mrs. Lockett Shelton, *Republic National Bank*, Dallas; Mr. & Mrs. B. F. Houston, *Dallas Union Securities Co.*, Dallas; Mr. & Mrs. William Russell Barrow, *Barrow, Leary & Co.*, Shreveport, La.



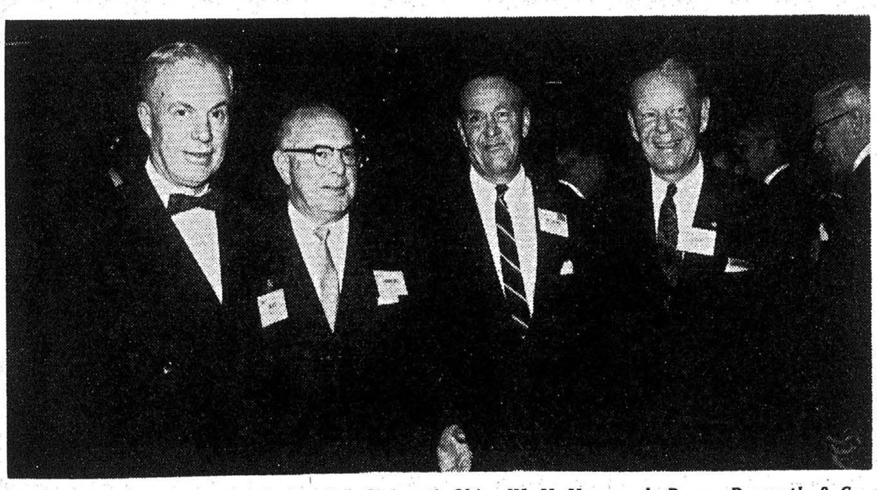
Edward H. Robinson, *Schwabacher & Co.*, New York; James J. Lee, *W. E. Hutton & Co.*, New York; Charles C. Pierce, *Rauscher, Pierce & Co., Inc.*, Dallas; Albert E. Schwabacher, Jr., *Schwabacher & Co.*, San Francisco; William Russell Barrow, *Barrow, Leary & Co.*, Shreveport, La.



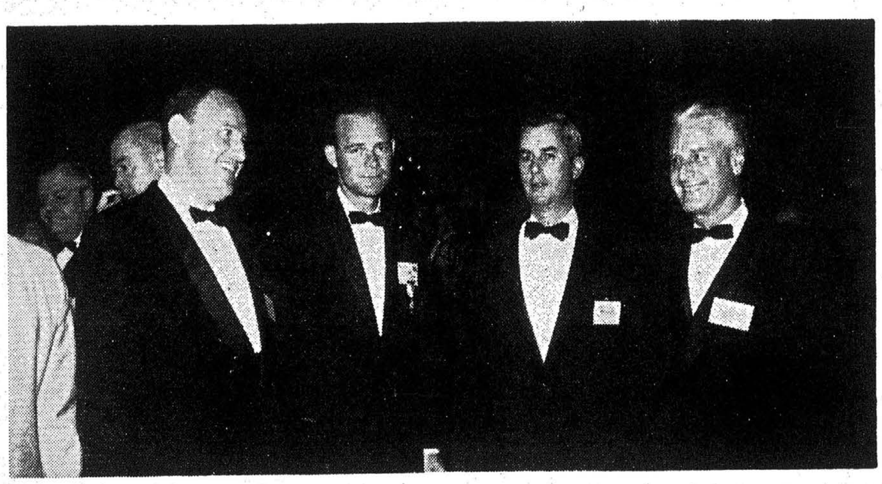
Mr. & Mrs. Eugene R. Black, Jr., *Lazard Freres & Co.*, New York; Rucker Agee, *Sterne, Agee & Leach*, Birmingham, Ala.

Mr. & Mrs. Brainerd H. Whitbeck, *First Boston Corporation*, New York City

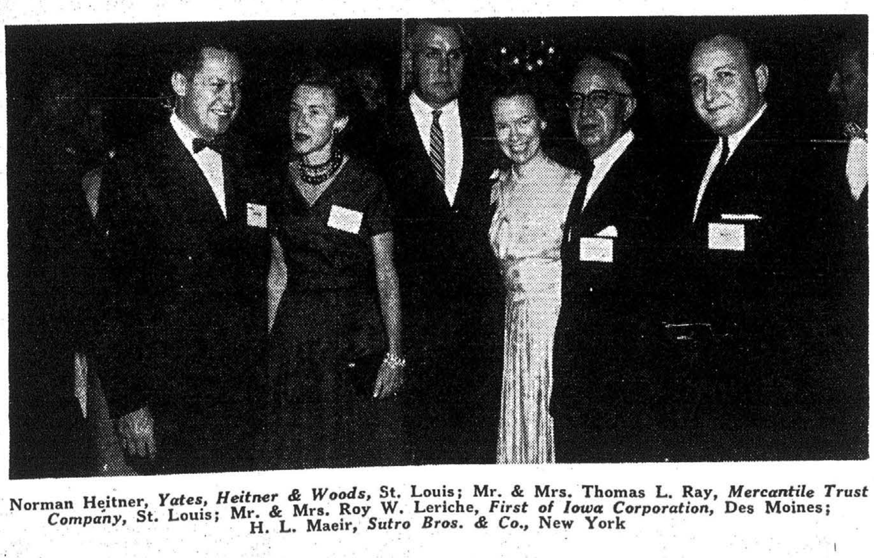
Mr. & Mrs. Richard J. Cook, *Wm. J. Mericka & Co., Inc.*, Cleveland; Richard N. Rand, *Rand & Co.*, New York



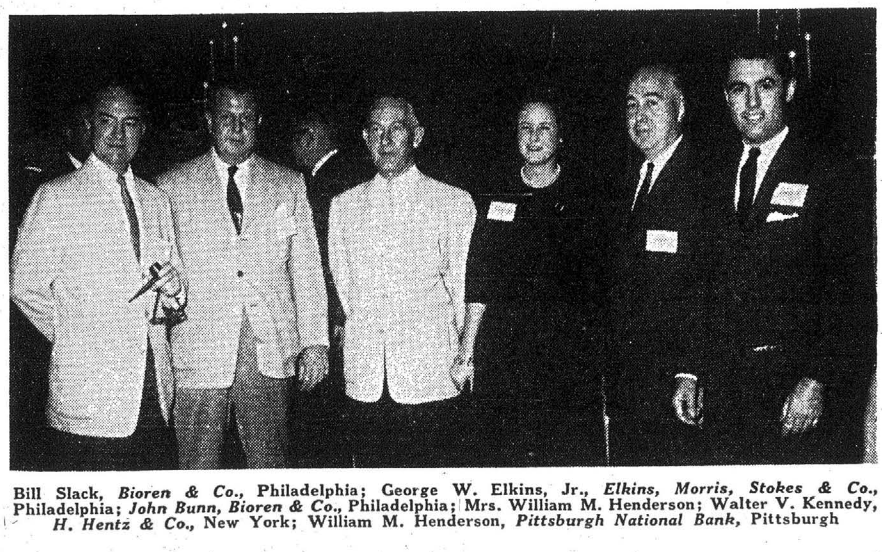
Stanley McKie, *Weil, Roth & Irving Co.*, Cininnati, Ohio; W. H. Hammond, *Braun, Bosworth & Co., Inc.*, Chicago; Edward B. Wulbern, *Pierce, Carrison, Wulbern, Inc.*, Jacksonville, Fla.; Joseph W. Sener, Jr., *John C. Legg & Company*, Balitmore



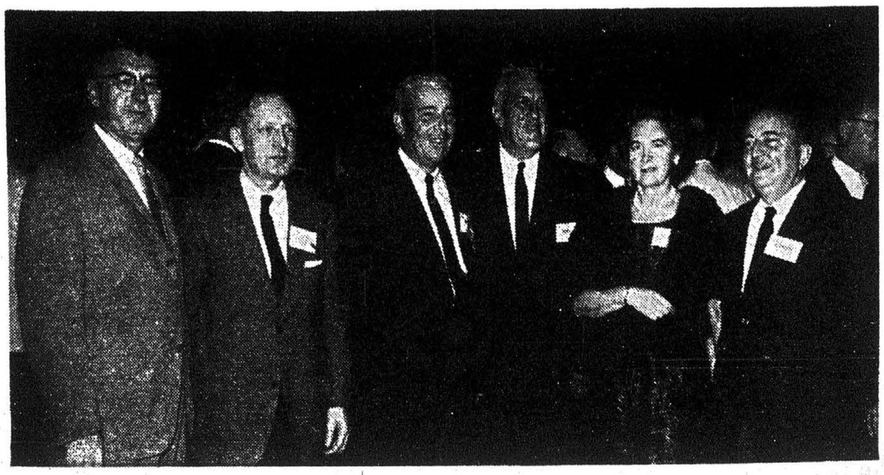
John W. Turner, *Eppler, Guerin & Turner*, Dallas; Harold W. Clark, *Clark, Landstreet & Kirkpatrick*, Nashville; A. Lowrie Applegate, *Hulme, Applegate & Humphrey*, Pittsburgh; William G. Simpson, *Simpson, Emery & Co.*, Pittsburgh



Norman Heitner, *Yates, Heitner & Woods*, St. Louis; Mr. & Mrs. Thomas L. Ray, *Mercantile Trust Company*, St. Louis; Mr. & Mrs. Roy W. Leriche, *First of Iowa Corporation*, Des Moines; H. L. Maeir, *Sutro Bros. & Co.*, New York

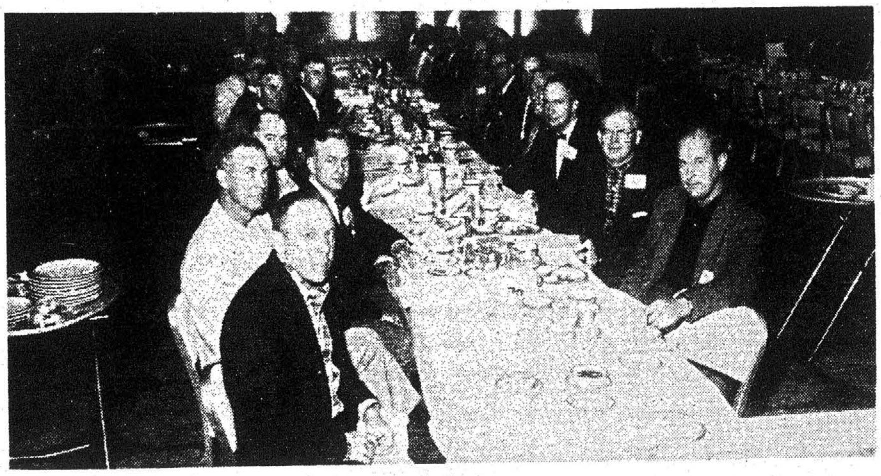


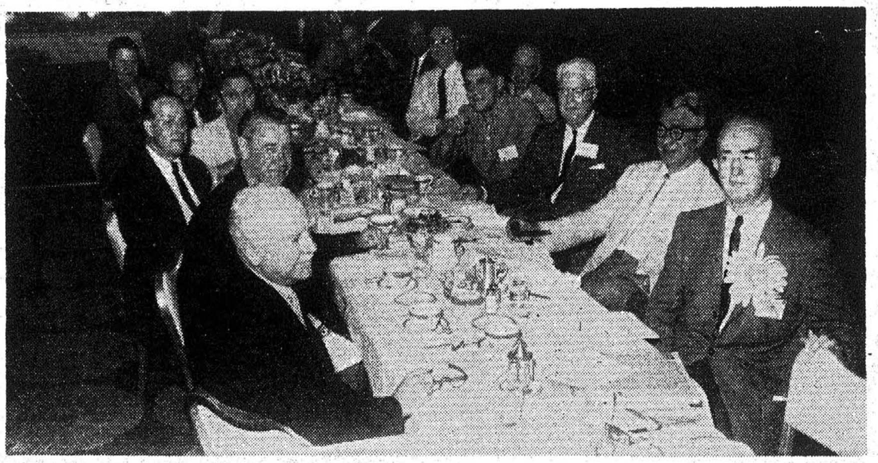
Bill Slack, *Bioren & Co.*, Philadelphia; George W. Elkins, Jr., *Elkins, Morris, Stokes & Co.*, Philadelphia; *John Bunn, Bioren & Co.*, Philadelphia; Mrs. William M. Henderson; Walter V. Kennedy, *H. Hentz & Co.*, New York; William M. Henderson, *Pittsburgh National Bank*, Pittsburgh

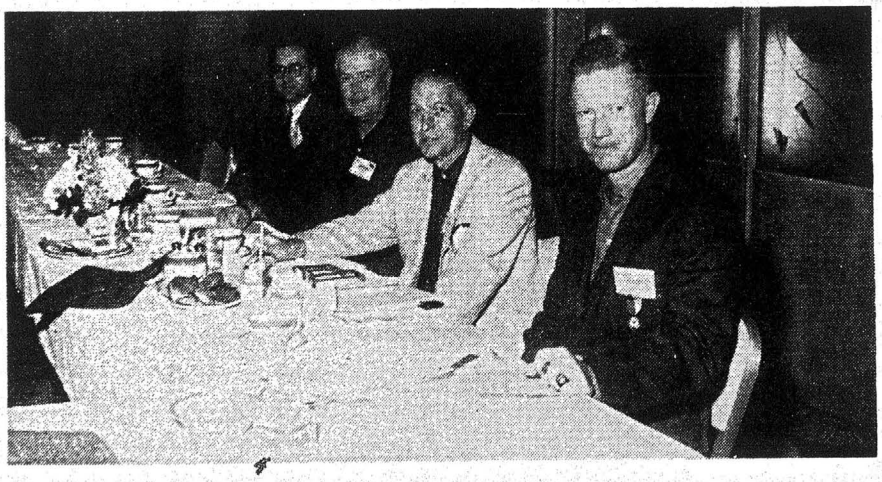


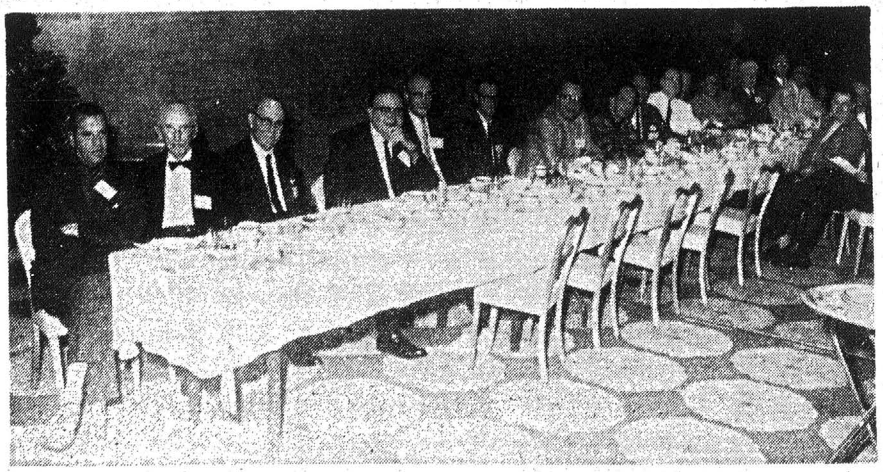
Miles Pelikan, *John Nuveen & Co.*, Chicago; Early F. Mitchell, *First National Bank*, Memphis, Tenn.; Samuel L. Varnedoe, *Varnedoe, Chisholm & Co.*, Savannah, Ga.; Mr. & Mrs. Arthur Friend, *Folger, Nolan, Fleming-W. B. Hibbs & Co.*, Washington, D. C.; Arthur R. Robinson, *Industrial National Bank*, Providence, R. I.

Mr. & Mrs. William M. Henderson, *Pittsburgh National Bank*, Pittsburgh, Pa.; Mr. & Mrs. A. Lowrie Applegate, *Hulme, Applegate & Humphrey*, Pittsburgh; W. Marshall Schmidt, *Hornblower & Weeks*, Philadelphia; Charles N. Fisher, *Singer, Deane & Scribner*, Pittsburgh; Harley L. Rankin, *Goldman, Sachs & Co.*, Philadelphia; H. S. Parker, *Kay, Richards & Co.*, Pittsburgh

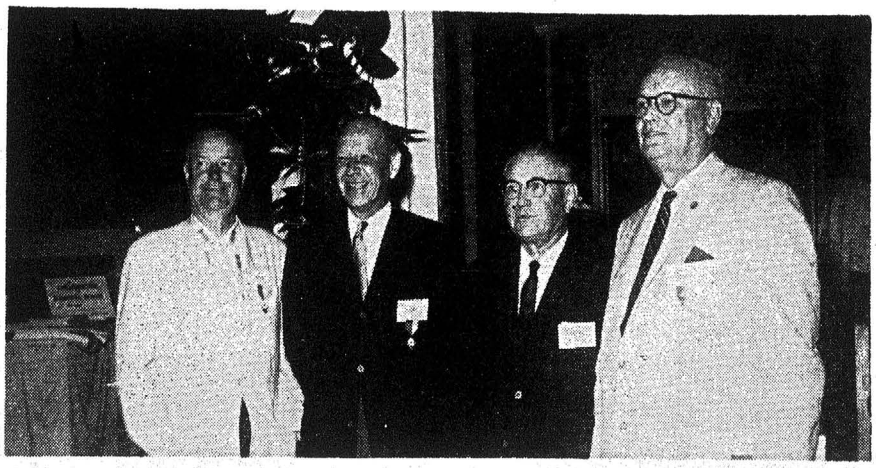




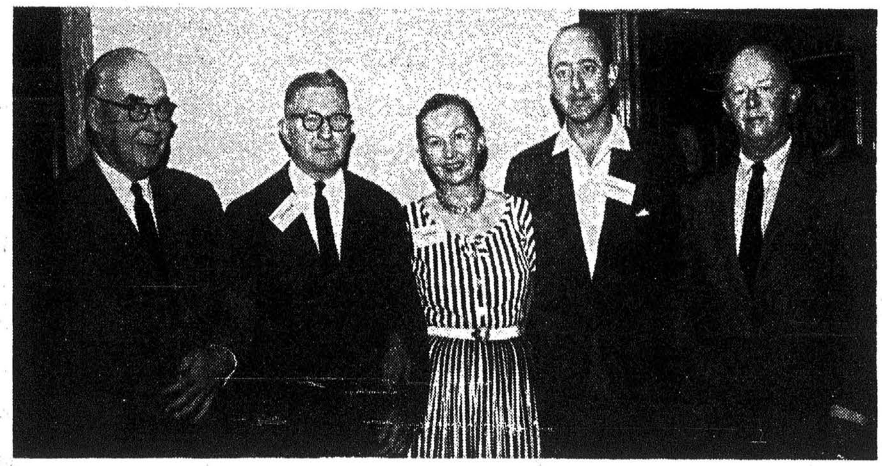




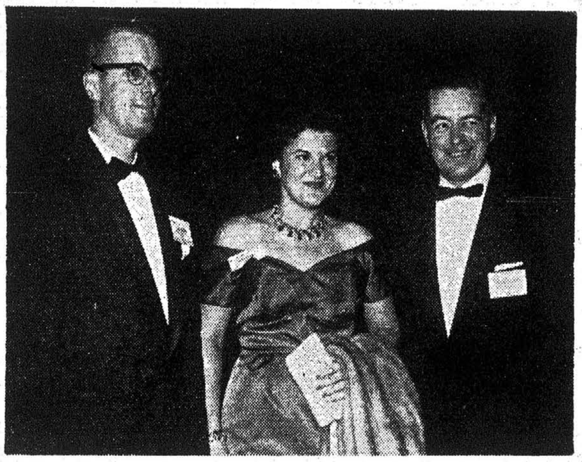
Municipal Securities Committee, Breakfast Meeting—Alan K. Browne, *Bank of America, N.T. & S.A.*, San Francisco, Chairman



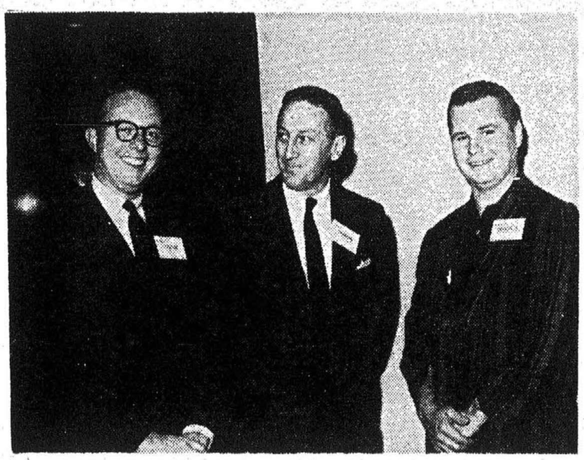
Harry W. Beese, *Hutchins, Mixter & Parkinson,* Boston; James E. Day, President of *Midwest Stock Exchange,* Chicago; John E. Fricke, *Woodcock, Moyer, Fricke & French,* Philadelphia; Walter E. Schmidt, *Schmidt, Roberts & Parke,* Philadelphia



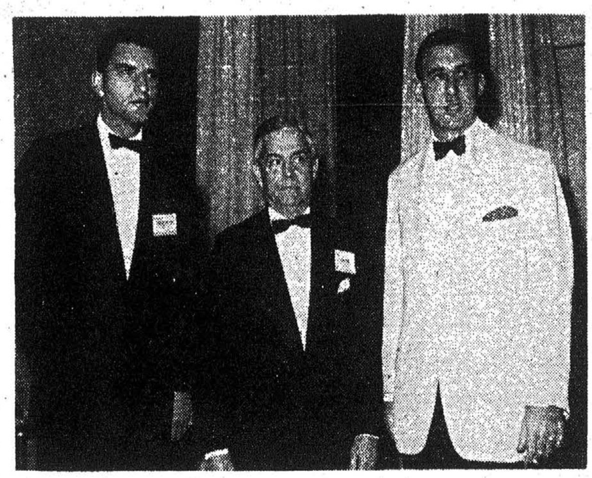
John Quail, *Quail & Co.,* Davpenport, Iowa; Mr. & Mrs. Dwight W. Chapman, *Wells Fargo Bank American Trust Company,* San Francisco; Albert E. Schwabacher, Jr., *Schwabacher & Co.,* San Francisco; William F. Atwill, Jr., *A. C. Allyn & Co.,* Miami Beach, Fla.



Mr. & Mrs. Joseph H. Sullivan, *Cunningham, Schmertz & Co.,* Pittsburgh, Pa.; Lorrin C. Mawdsley, *Van Alystne, Noel & Co.,* New York

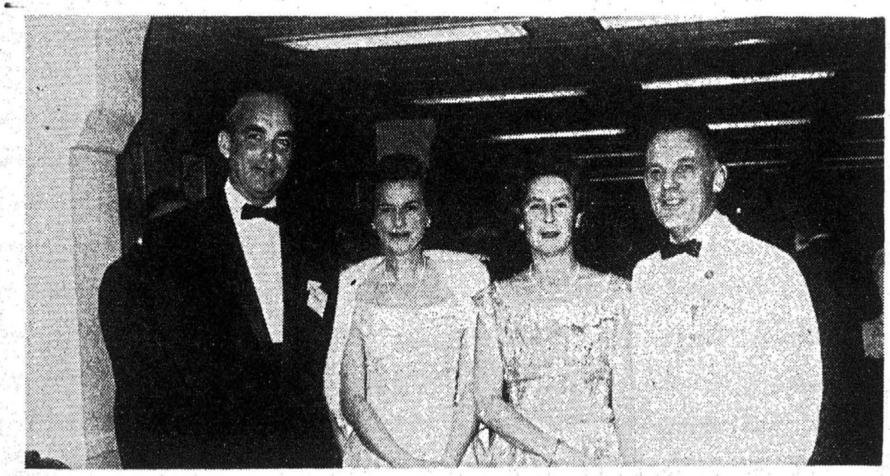


Norman A. Cooledge, *Courts & Co.,* New York City; Gordon Cadwgan, *G. H. Walker & Co.,* Providence, R. I.; Herbert W. Marache, Jr., *Granbery, Marache & Co.,* New York

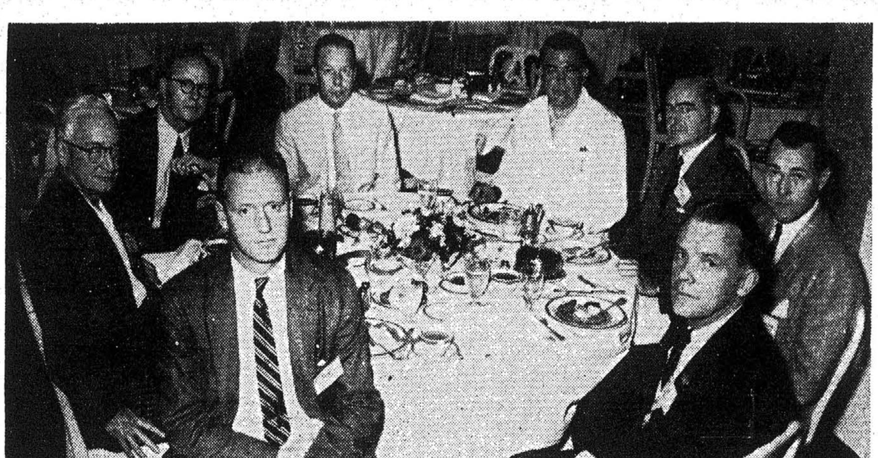


William H. Gregory, III, *Gregory & Sons,* New York; Donald W. Hayden, *Baumgartner, Downing & Co.,* Baltimore; Andrew Blum, *Van Alstyne, Noel & Co.,* New York

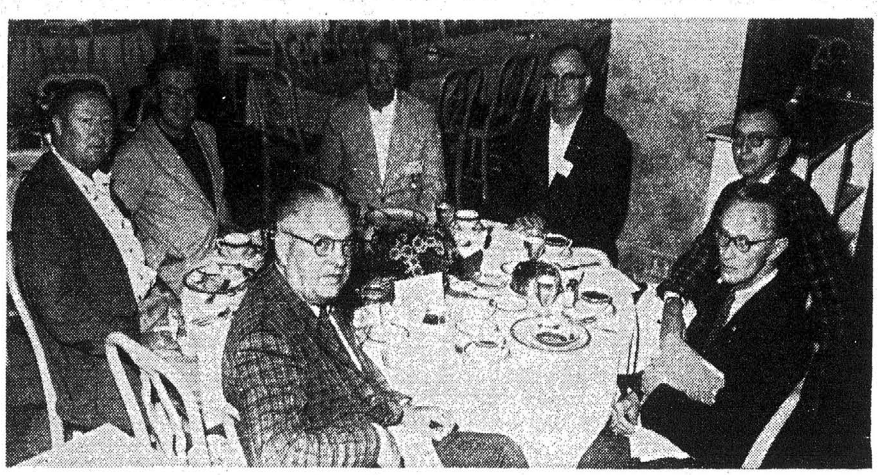
Mr. & Mrs. Philip R. Neuhaus, *Underwood, Neuhaus & Co.,* Houston, Tex; Avery Rockefeller, Jr., *Dominick & Dominick,* New York; F. Barton Harvey, *Alex. Brown & Sons,* Baltimore



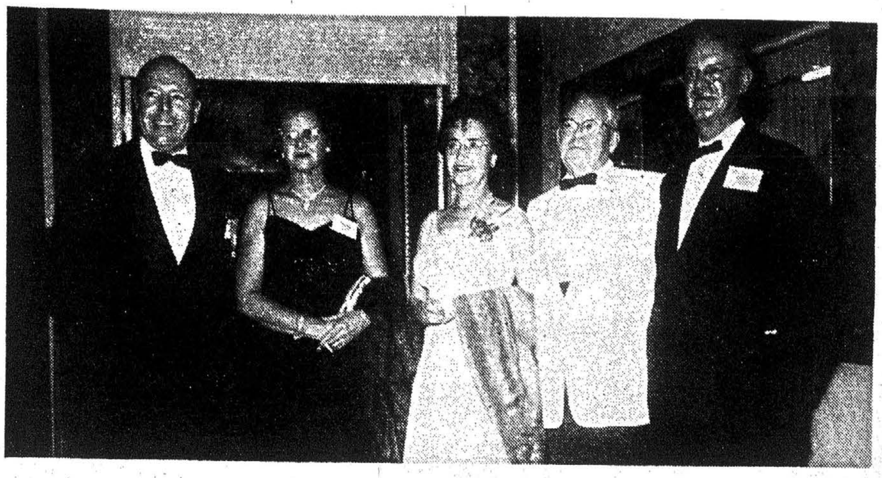
Mr. & Mrs. Edward D. McGrew, *Northern Trust Company,* Chicago; Mr. & Mrs. James J. Lee, *W. E. Hutton & Co.,* New York



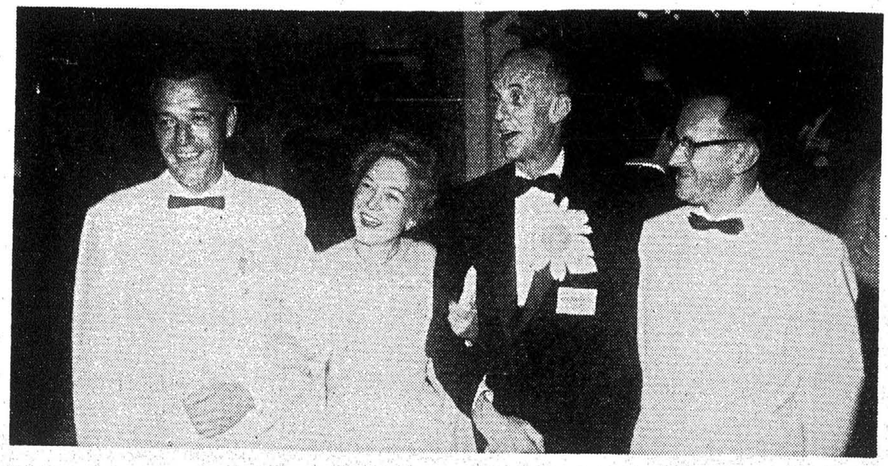
Federal Taxation Committee, Breakfast Meeting—Walter Maynard, *Shearson, Hammill & Co.,* New York, Chairman



Membership Committee, Breakfast Meeting—Frank L. Reissner, *Indianapolis Bond & Share Corporation,* Indianapolis, Chairman

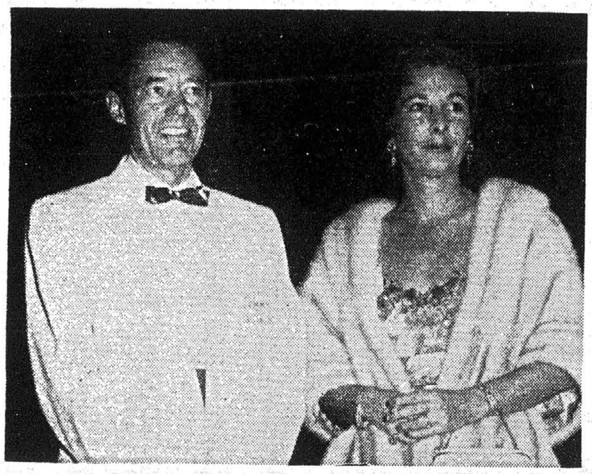


Mr. & Mrs. Edward S. Amazeen, *William Street Sales, Inc.*, New York; Mr. & Mrs. Gerald P. Peters, *Peters, Writer & Christensen, Inc.*, Denver; Malcolm F. Roberts, *Garrett, Bromfield & Co.*, Denver

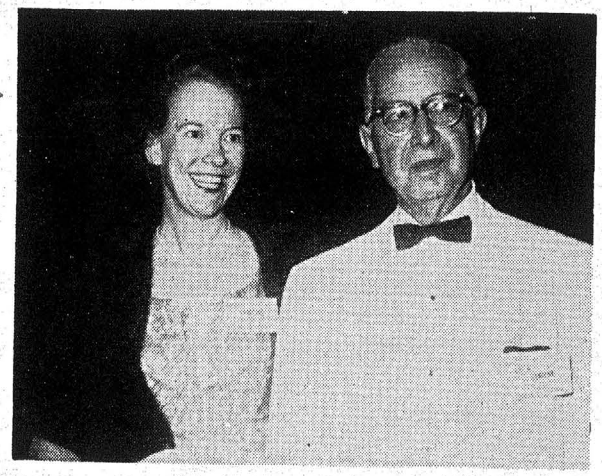


Sam Lyons, *Cruttenden, Podesta & Co.*, Chicago; Mrs. Glenn R. Miller; Frank L. Newburger, Jr., *Newburger & Co.*, Philadelphia; Glenn R. Miller, *Cruttenden, Podesta & Co.*, Chicago

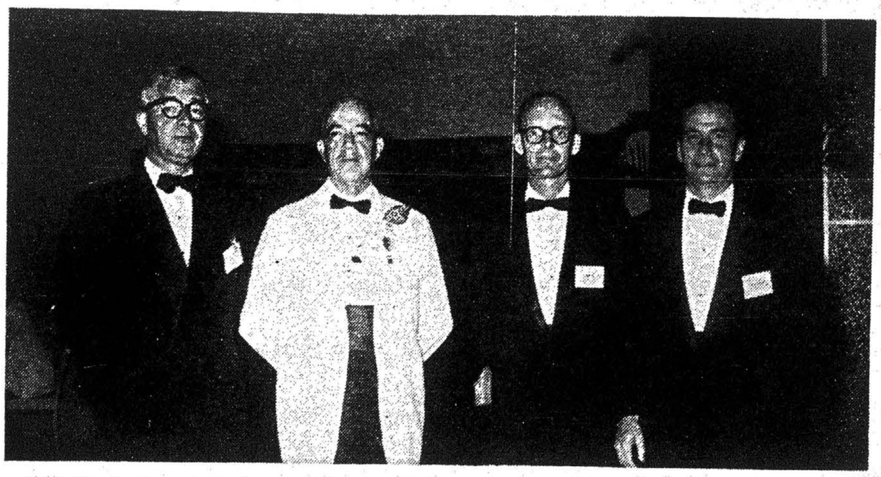
Mr. & Mrs. J. Nathan McCarley, *McCarley & Co.*, Ashville, N. C.



Mr. & Mrs. Henry D. Boenning, Jr., *Boenning & Co.*, Philadelphia

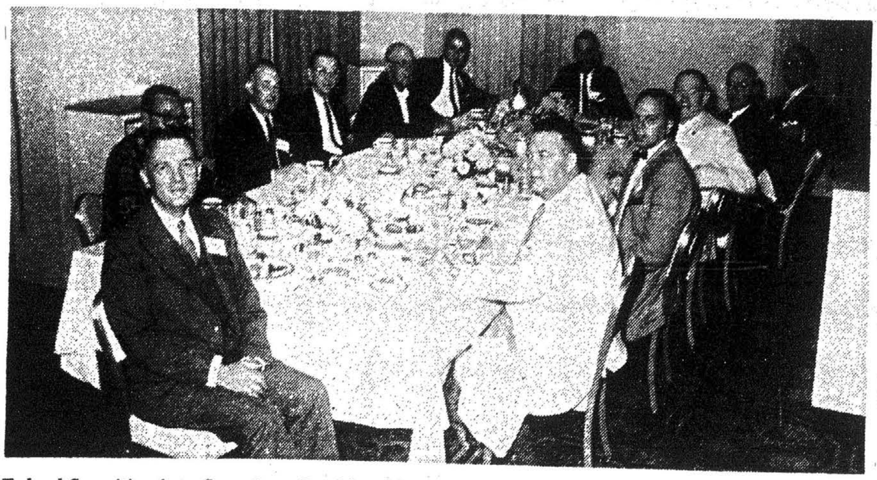


Mr. & Mrs. Roy W. Leriche, *First of Iowa Corporation*, Des Moines

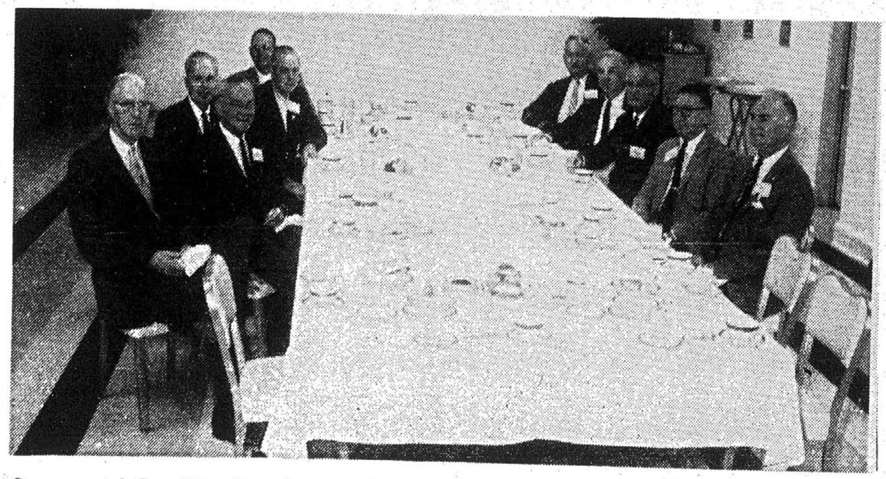


Paul W. Cutler, *Chapman & Cutler*, Chicago; Carr Payne, *Cumberland Securities Corporation*, Nashville; Robert H. Smith, *Faulkner, Dawkins & Sullivan*, New York; Dwight F. Faulkner, *Faulkner, Dawkins & Sullivan*, New York

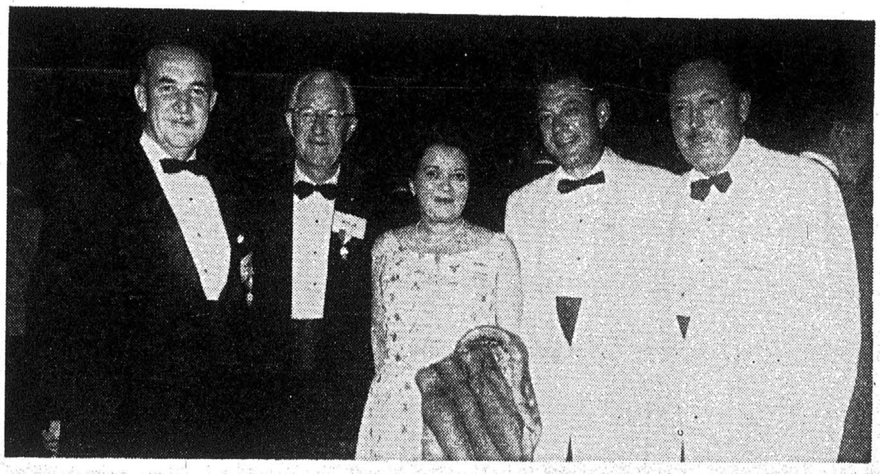
Mrs. Walter H. Steel, New York; Mr. & Mrs. H. Bruce Palmer, *Mutual Benefit Life Insurance Co.*, Newark, N. J.; Mrs. William F. Machold, New York; J. Murrey Atkins, *R. S. Dickson & Co., Inc.*, Charlotte, N. C.



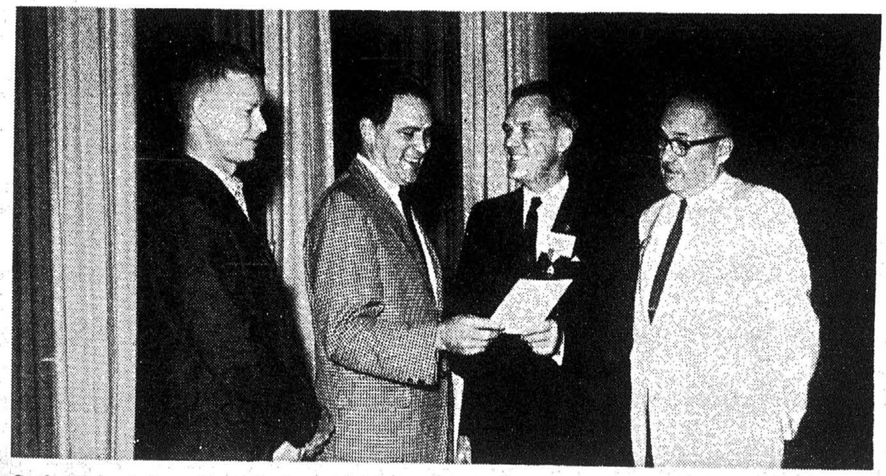
Federal Securities Acts Committee, Breakfast Meeting—Albert Pratt, *Paine, Webber, Jackson & Curtis*, Boston, Chairman



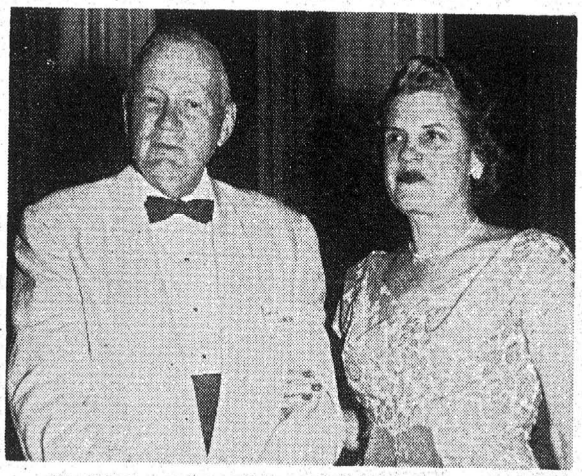
Governmental Securities Committee, Breakfast Meeting—Dwight W. Chapman, *Wells Fargo Bank American Trust Company*, San Francisco, Chairman



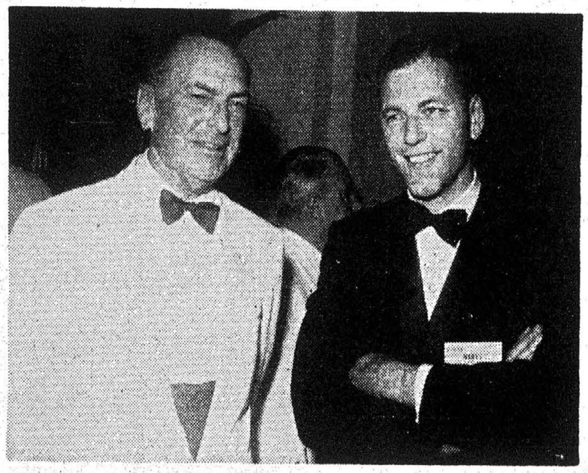
H. E. Murphy, *Commercial & Financial Chronicle*, New York; Walter Morgan, *Wellington Co.*, Philadelphia; Mrs. H. E. Murphy; John C. Schutz, *Chiles-Schutz Co.*, Omaha; A. Bruce Brower, *Wellington Company*, Philadelphia



Gordon Calvert, *Investment Bankers Association*, Washington, D. C.; Robert A. Podesta, *Cruttenden, Podesta & Co.*, Chicago; James J. Lee, *W. E. Hutton & Co.*, New York; Robert O. Shepard, *Prescott, Shepard & Co.*, Cleveland

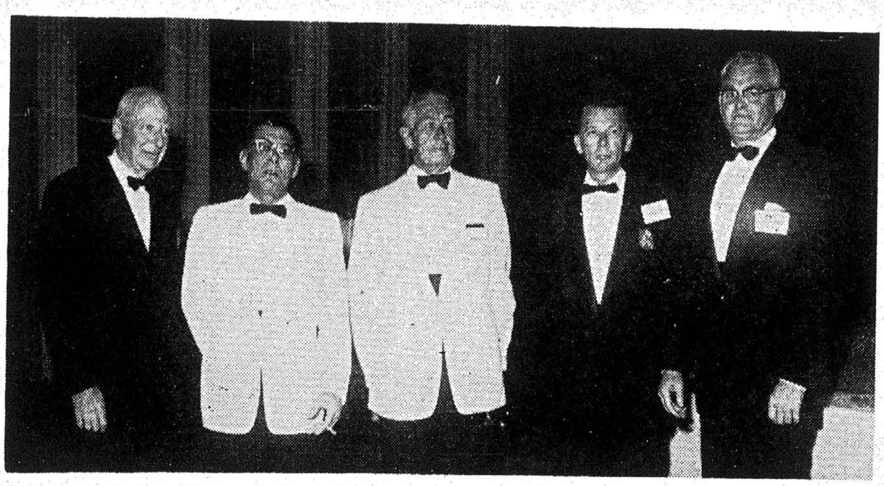


Mr. & Mrs. James H. Lemon, *Johnston, Lemon & Co.*, Washington, D. C.

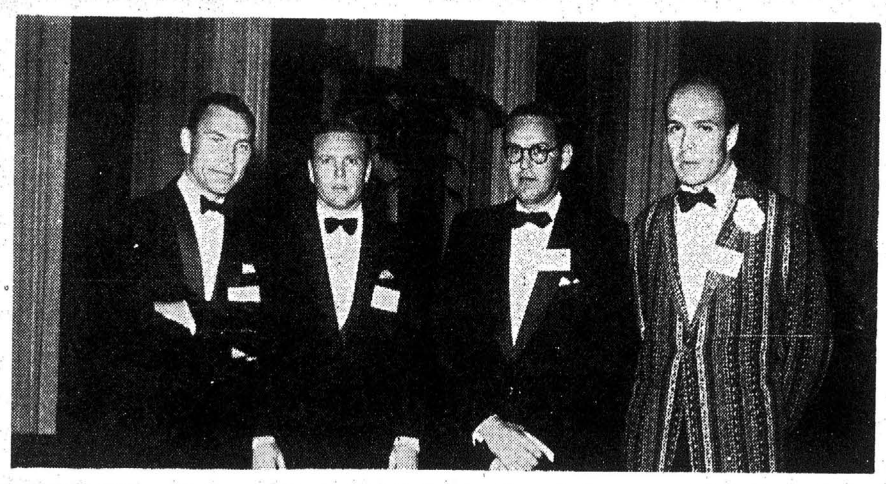


Middleton Rose, *Laird, Bissell & Meeds*, New York; G. Peter Nares, *James Richardson & Sons*, New York

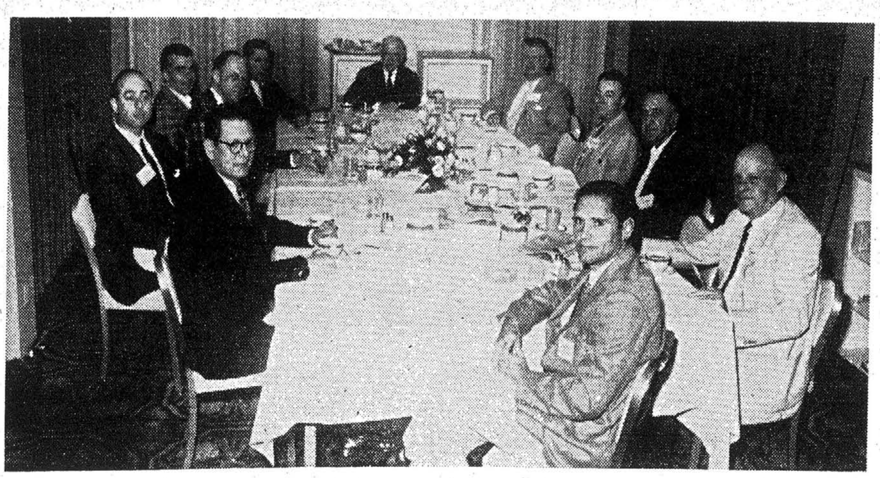
Mr. & Mrs. Daniel P. Whitlock, *Ladenburg, Thalmann & Co.*, New York; Mrs. Frank Morse, New York



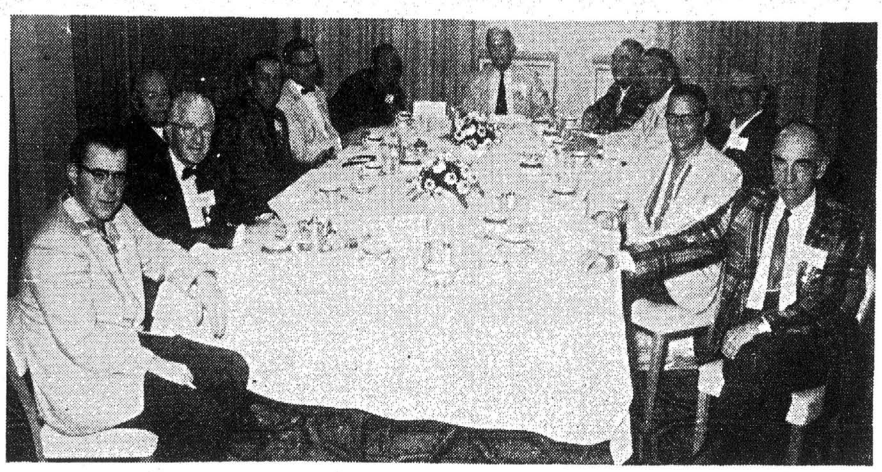
William J. Corbett, *Burns, Corbett & Pickard*, Chicago; Gordon Reis, Jr., *Seasongood & Mayer*, Cincinnati; Frank R. Warden, *Central National Bank*, Des Moines; Charles Miller, *Mullaney, Wells & Co.*, Chicago; William N. Murray, Jr., *The Illinois Company of Chicago*



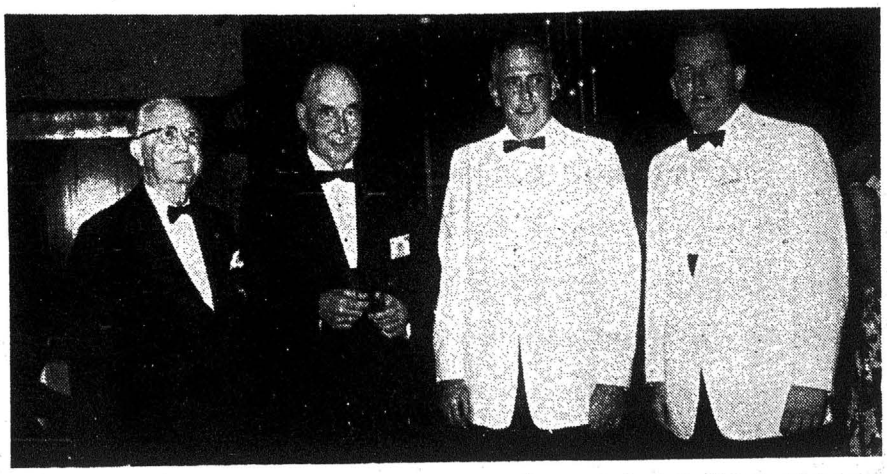
Daniels C. Brasted, *Evans & Co.*, New York City; Brownlee O. Currey, Jr., *Equitable Securities Corporation*, New York; William B. Eppler, *Eppler, Guerin & Turner*, Dallas; Jack M. Bass, Jr., *Jack M. Bass & Co.*, Nashville



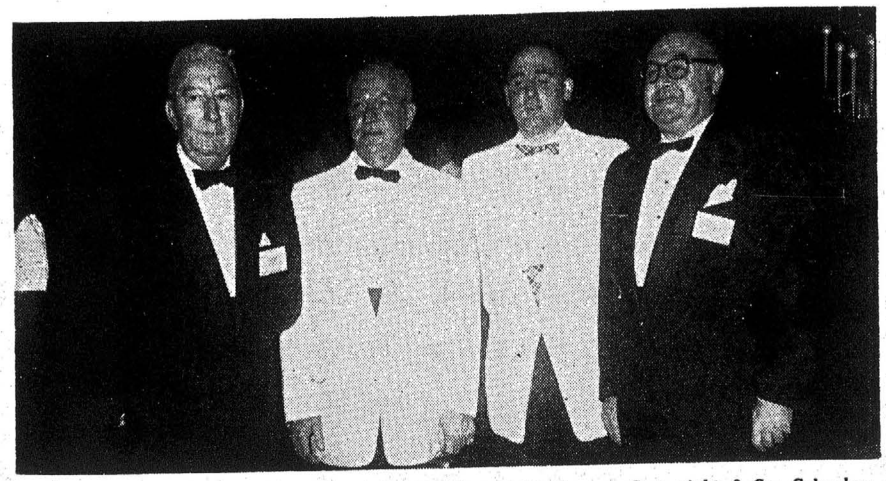
Public Utility Securities Committee, Breakfast Meeting—Carl C. Brown, *Dean Witter & Co.*, New York, Chairman



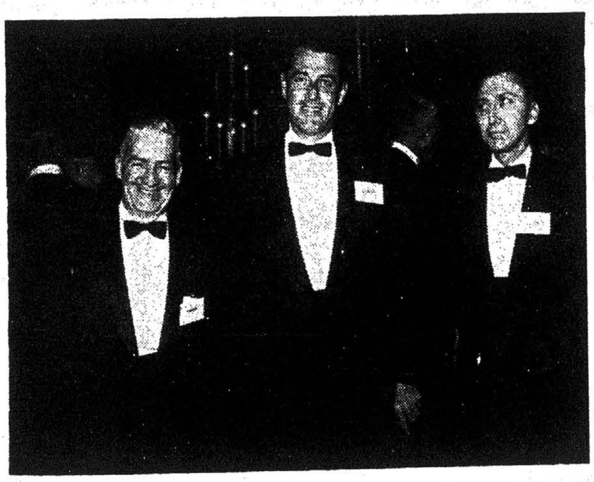
Investment Companies Committee, Breakfast Meeting—Robert E. Clark, *Calvin Bullock, Ltd.*, New York, Chairman



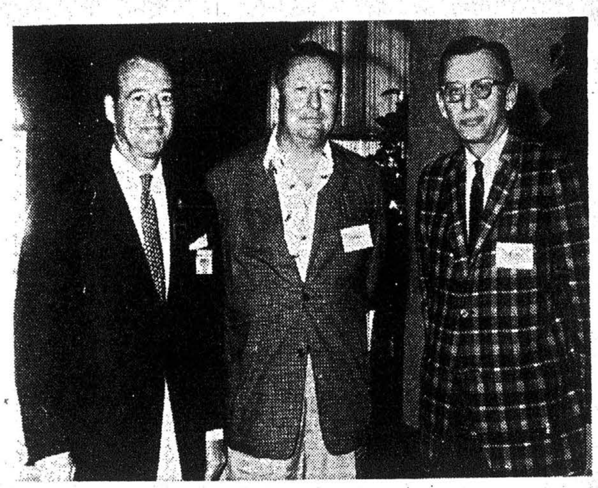
Joseph T. Johnson, *The Milwaukee Company*, Milwaukee, Wis.; John J. Quail, *Quail & Co.*, Davenport, Iowa; Blair Phillips, *Shearson, Hammill & Co.*, Chicago; Allan B. Bogardus, *Watling, Lerchen & Co.*, New York



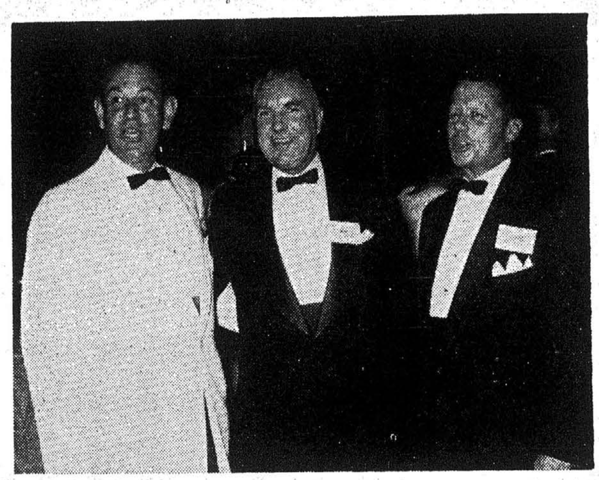
Douglas Casey, *A. C. Allyn & Co.*, Chicago; Todd Cartwright, *Sweney, Cartwright & Co.*, Columbus, Ohio; Lloyd E. Lubetkin, *Lubetkin, Regan & Kennedy*, New York; Philip Lubetkin, *Lubetkin, Regan & Kennedy*, New York



Roswell J. Yunker, *A. M. Kidder & Co., Inc.*, New York; Robert G. Gerrish, *Oscar E. Dooly & Co.*, Miami; Felix N. Porter, *First National Bank & Trust Company*, Oklahoma City, Okla.



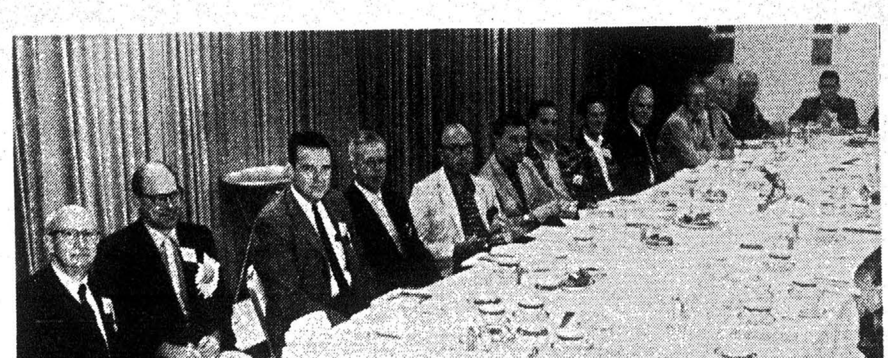
William J. Lawlor, *Hornblower & Weeks*, Chicago; Charles C. Pierce, *Rauscher, Pierce & Co., Inc.*, Dallas; Frank L. Reissner, *Indianapolis Bond & Share Corporation, Indianapolis*



Ernest E. Keusch, *W. E Hutton & Co.*, New York; Charles M. Werly, *Putnam Fund Distributors, Inc.*, Boston; John M. Bleakie, *W. E. Hutton & Co.*, Boston

Mr. & Mrs. W. Carroll Mead, *Mead, Miller & Co.*, Baltimore; Mrs. William D. Kerr, New York City; Keith G. Funston, President, *New York Stock Exchange*, New York

Francis V. Ward, *H. C. Wainwright & Co.*, Boston; Mr. & Mrs. Henry Stravitz, *Swiss American Corporation*, New York; Mr. & Mrs. William S. Vanek, *Manufacturers Trust Company*, New York

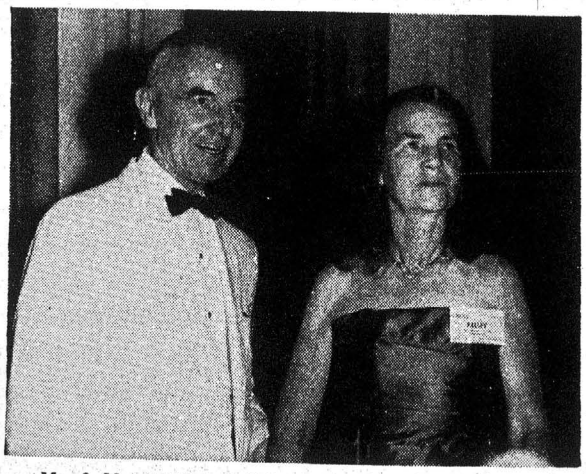


Education Committee, Breakfast Meeting—Robert O. Shepard, *Prescott, Shepard & Co.*, Cleveland, Chairman

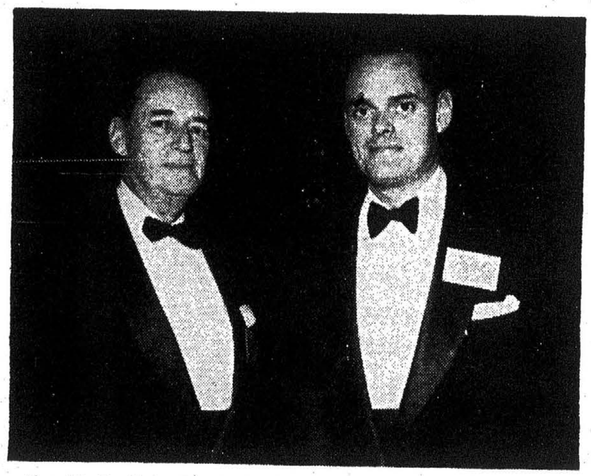
Mr. & Mrs. Claude D. Seibert, *Commercial & Financial Chronicle*, New York; Mr. & Mrs. Merrill Freeman, *Salomon Bros. & Hutzler*, New York

Mr. & Mrs. Donald W. Moulton, *R. H. Moulton & Co.*, Los Angeles; Mr. & Mrs. Jesse A. Sanders, *Sanders & Company*, Dallas

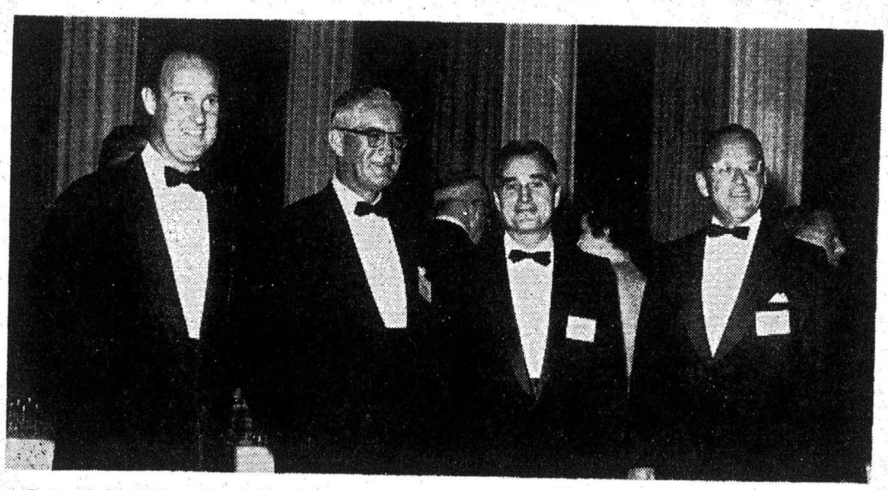
Russell R. Rowles, *Rowles, Winston & Co.*, Houston; Mrs. Charles C. Pierce, Dallas



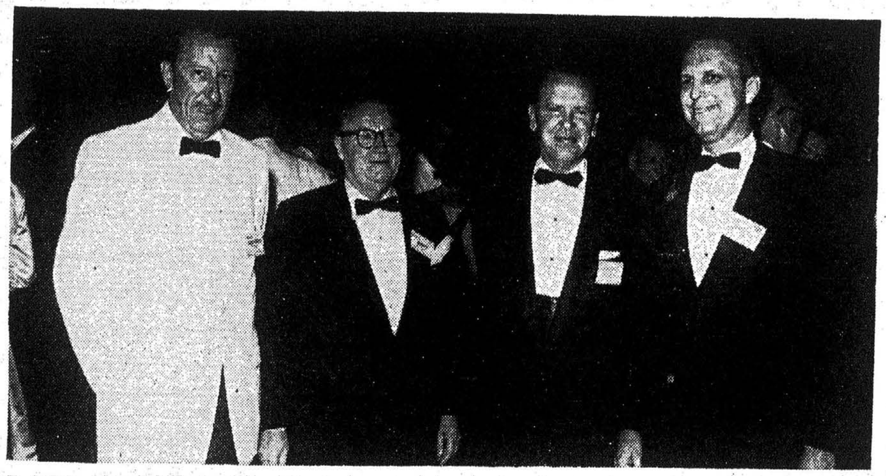
Mr. & Mrs. William J. Falsey, *Chas. W. Scranton & Co.*, New Haven, Conn.



Roy W. Doolittle, Sr., *Doolittle & Co.*, Buffalo, N. Y.; Roy W. Doolittle, Jr., *Doolittle & Co.*, Buffalo, N. Y.

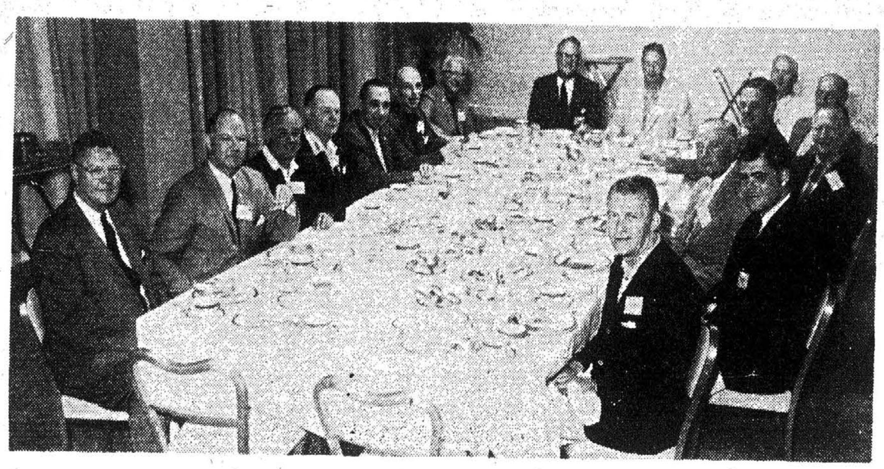


Peter V. N. Philip, *W. H. Morton & Co.*, New York; William J. Wallace, *Mellon National Bank*, Pittsburgh; Charles E. Lundfelt, *McCormick & Co.*, Chicago; Stewart A. Dunn, *C. J. Devine & Co.*, New York



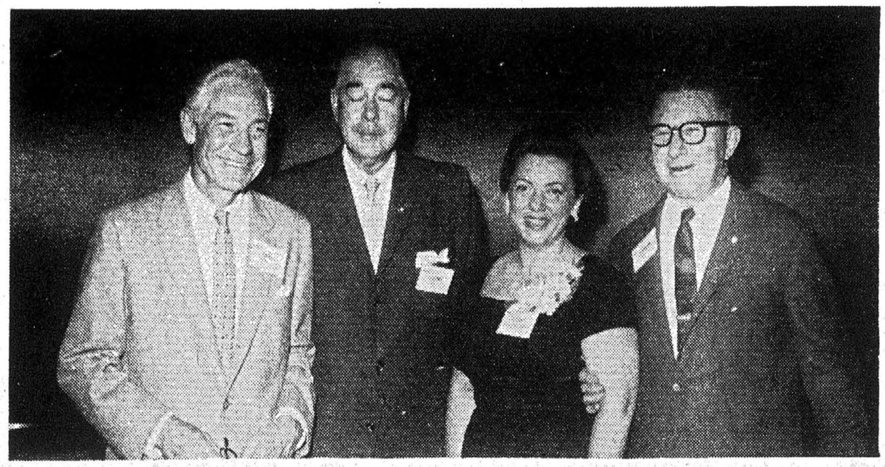
E. William Darmstatter, *Stifel, Nicolaus & Co. Incorporated*, St. Louis; Joseph D. Murphy, *Stifel, Nicolaus & Co. Incorporated*, Chicago; S. H. Ranson, Jr., *Ranson & Co.*, Wichita, Kansas; Robert King, Jr., *First Securities Corporation*, Durham, N. C.

Invest in America Committee, Breakfast Meeting—George J. Otto, *Irving Lundborg & Co.*, San Francisco, Chairman

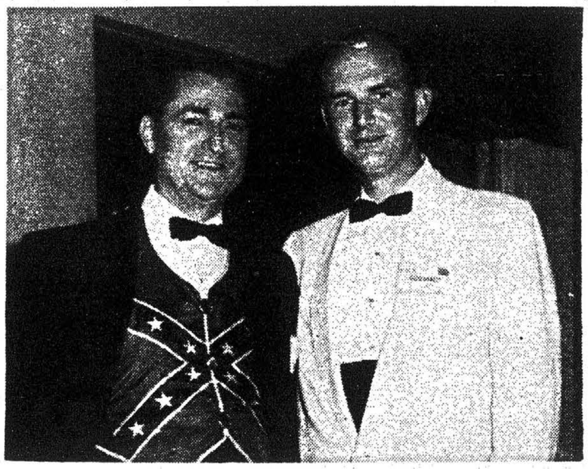


Stock Exchange Relations Committee, Breakfast Meeting—Eugene M. Geddes, *Clark, Dodge & Co.*, New York City, Chairman

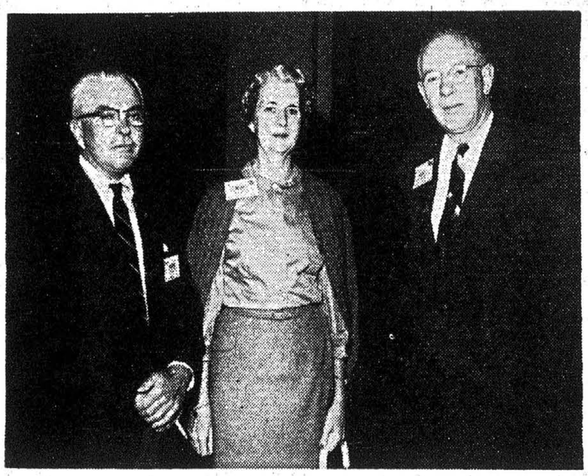
Mr. & Mrs. Thomas H. McGlade, *Shields & Company*, New York; Mr. & Mrs. Thomas L. Anglin, *Mackall & Coe*, Washington, D. C.; Ludwell A. Strader, *Strader & Company, Incorporated*, Lynchburg, Va.



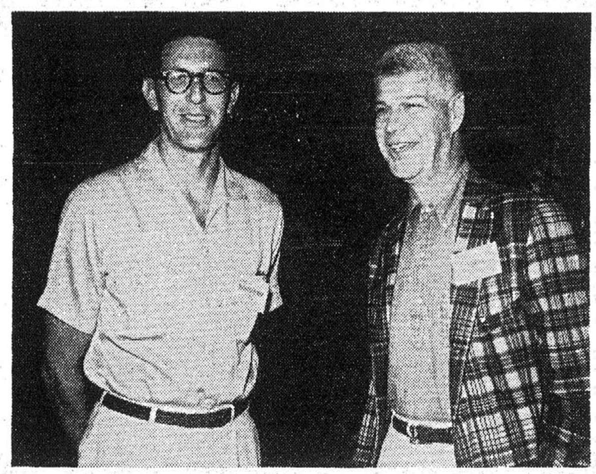
Hardin H. Hawes, *Harris Trust & Savings Bank*, Chicago; Julien H. Collins, *Julien Collins & Co.*, Chicago; Elaine Holmes, *Investment Bankers Association*, Washington, D. C.; Dwight W. Chapman, *Wells Fargo Bank American Trust Company*, San Francisco



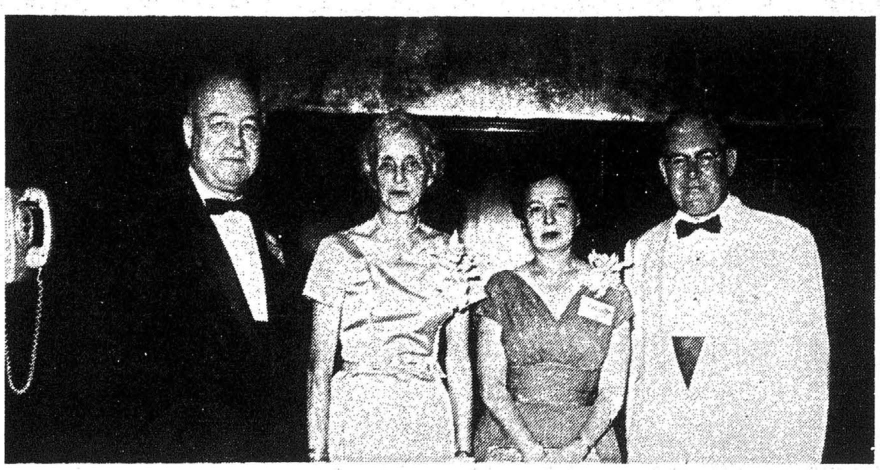
Austin Patterson, *First Boston Corp*, New York City; R. Ellis Godshall, *Clement A. Evans & Co., Inc.*, Atlanta



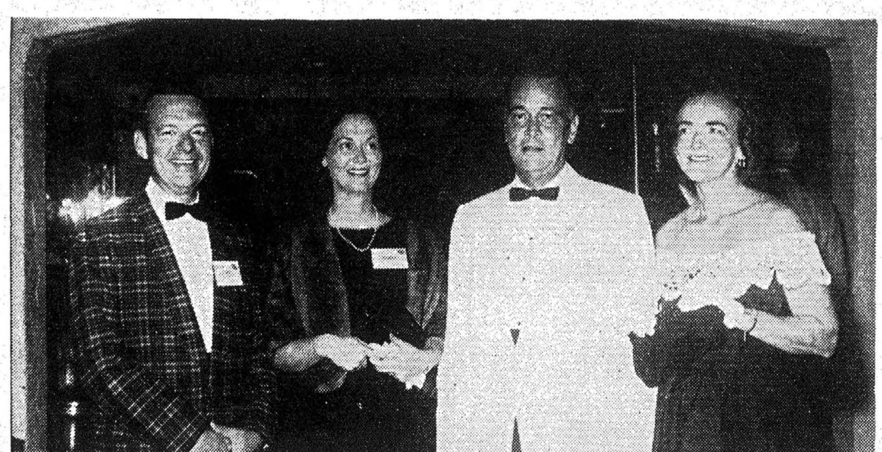
Leroy A. Wilbur, *Stein Bros. & Boyce*, Baltimore; Mr. & Mrs. W. Olin Nisbet, Jr., *Interstate Securities Corporation*, Charlotte, N. C.



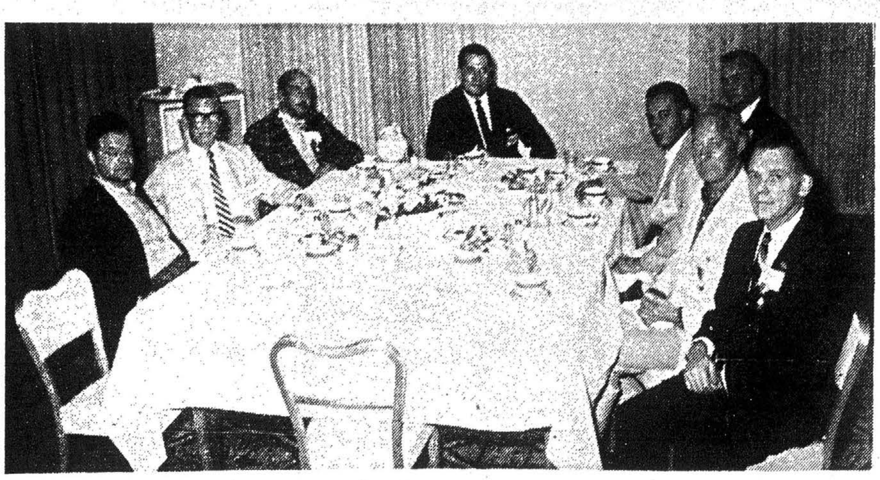
Stephen H. Floersheimer, *Sutro Bros. & Co.*, New York; Jay Simon, *City National Bank*, Chicago



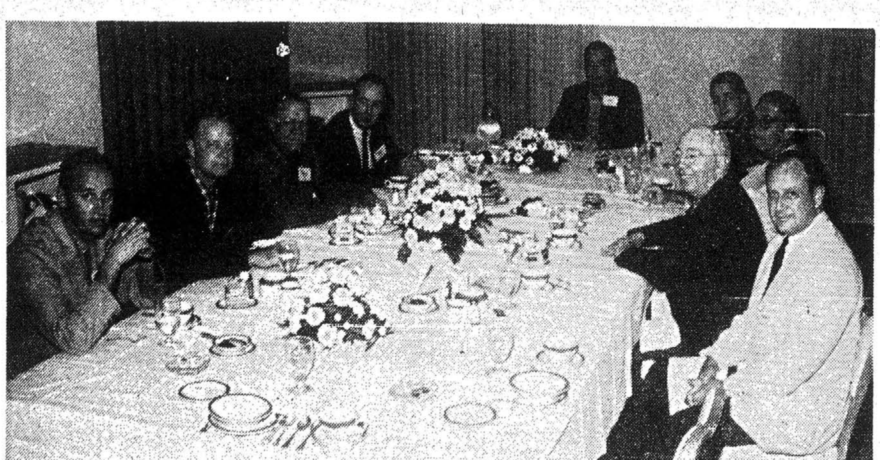
Mr. & Mrs. J. B. Sanford, Jr., *Hattier & Sanford*, New Orleans; Mr. & Mrs. Gilbert Hattier, Jr., *Hattier & Sanford*, New Orleans



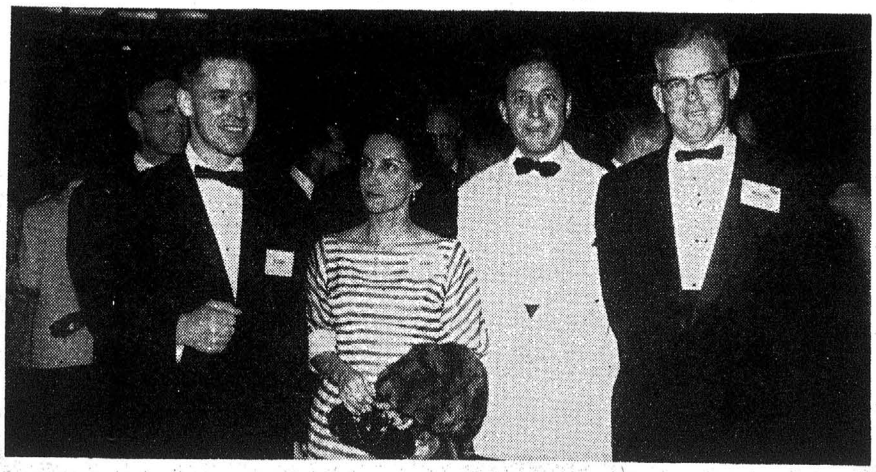
Mr. & Mrs. Harrison Clarke, *Johnson, Lane, Space Corporation*, Atlanta; Mr. & Mrs. Frank E. Taylor, Jr., *Fulton National Bank*, Atlanta



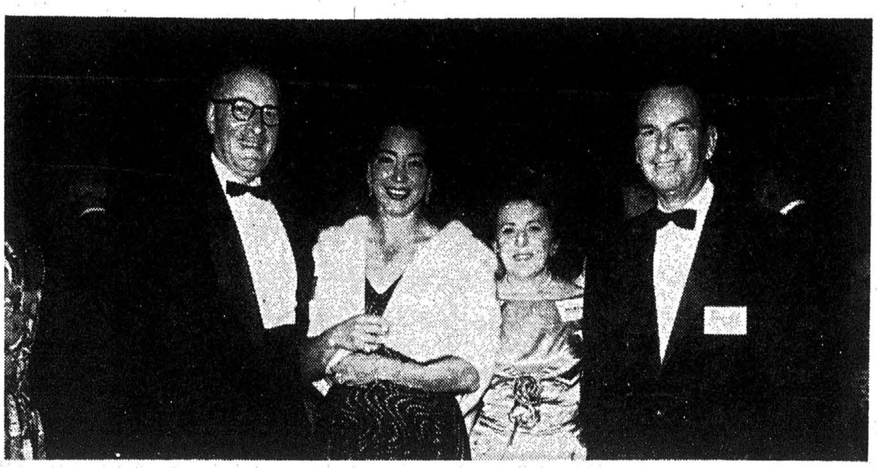
Foreign Investment Committee, Breakfast Meeting—Arthur L. Wadsworth, *Dillon, Reed & Co.*, New York City, Chairman



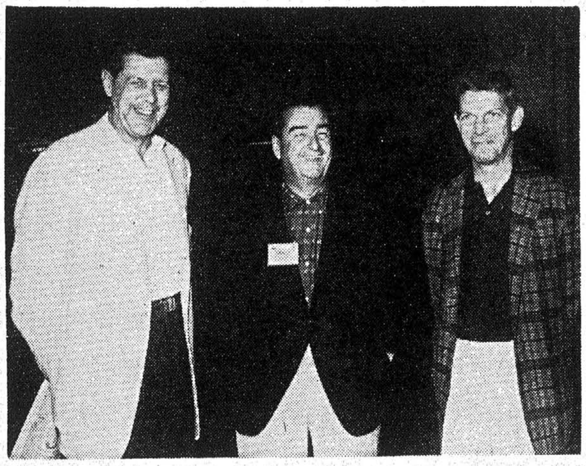
Industrial Securities Committee, Breakfast Meeting—V. Virgil Sherrill, *Shields & Company*, New York, Chairman



C. I. Murray, *Nesbitt, Thomson & Co.*, New York; Mr. & Mrs. Marquette de Bary, *F. S. Smithers & Co.*, New York; William F. Morgan, *Blyth & Co., Inc.*, New York City



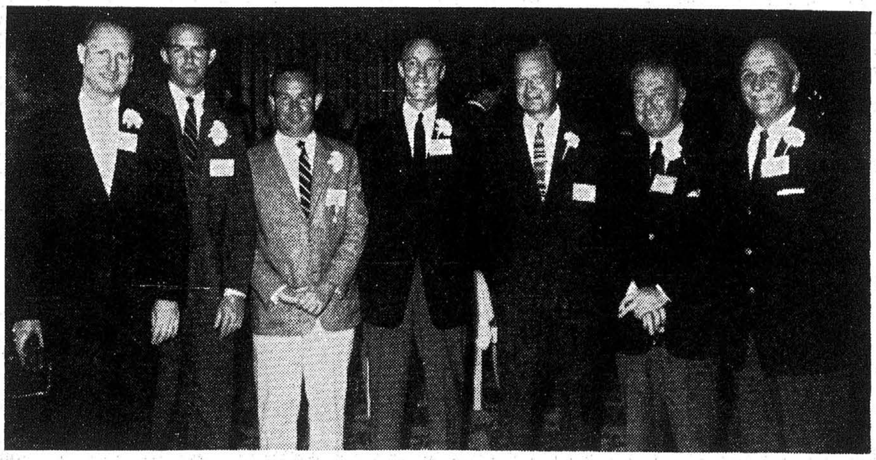
Mr. & Mrs. John Cullen, *R. W. Pressprich & Co.*, New York; Mr. & Mrs. William P. Smallwood, *First Southwest Company*, Dallas



Charles McK Lynch, *Moore, Leonard & Lynch*, Pittsburgh; Francis A. Cannon, *First Boston Corporation*, New York; Thomas Lynch *Moore, Leonard & Lynch*, Pittsburgh

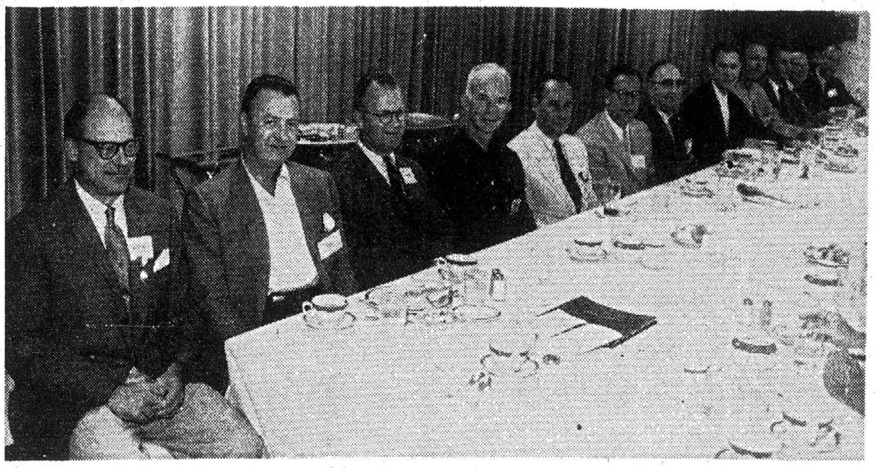
Mr. & Mrs. Justus C. Martin, Jr., *The Robinson-Humphrey Company*, Atlanta

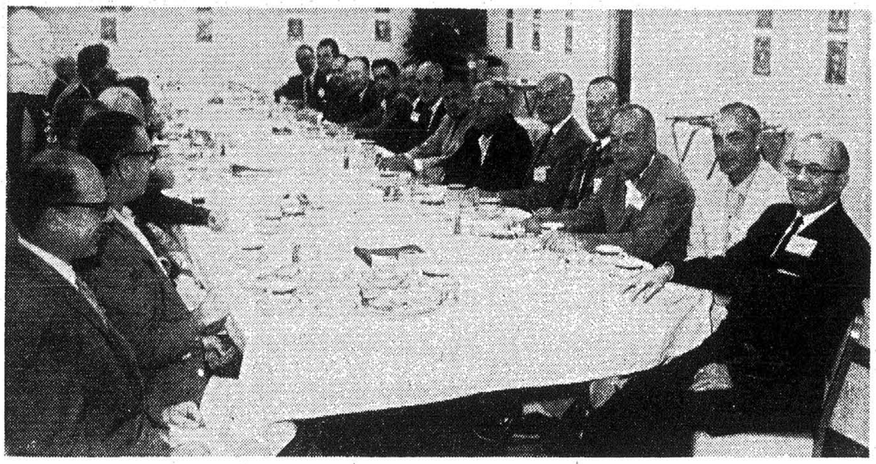
F. Vincent Reilly, *Commercial & Financial Chronicle*, New York; Whitney Bradley, *Easton & Howard;* John Latshaw, *E. F. Hutton & Co.*, Kansas City, Mo.



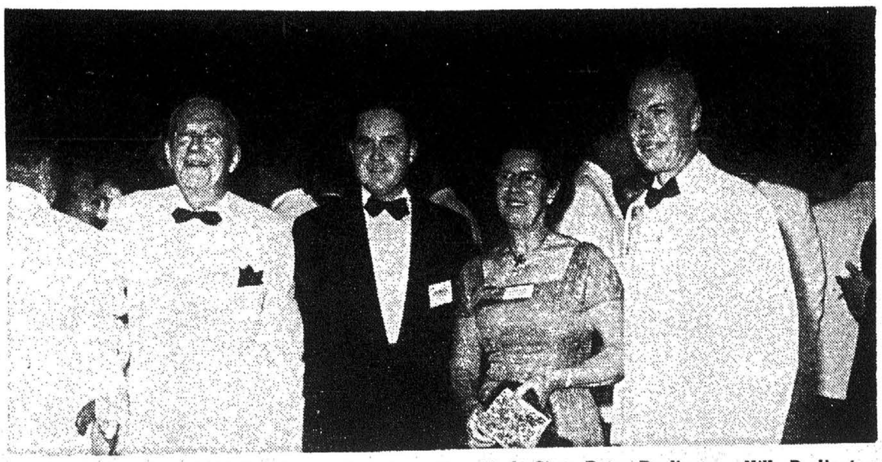
Gordon Jamieson (New York), James F. Burns, III (New York), Edward Glassmeyer (New York), Stanley A. Russell (Philadelphia), Richard B. Walbert (Chicago), Charles B. Harkins (San Francisco), Alonzo C. Allen (Detroit), all of *Blyth & Co., Inc.*

Robert Erickson, *Stone & Webster Securities Corp.*, New York; Mr. & Mrs. Chester W. Viale, *L. F. Rothschild & Co.*, New York; Mr. & Mrs. Kenneth C. Ebbitt, *Shelby Cullom Davis & Co.*, New York

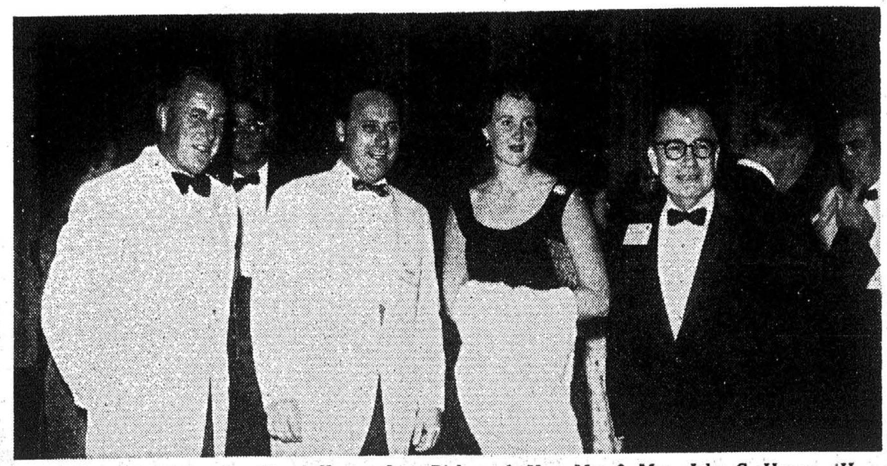




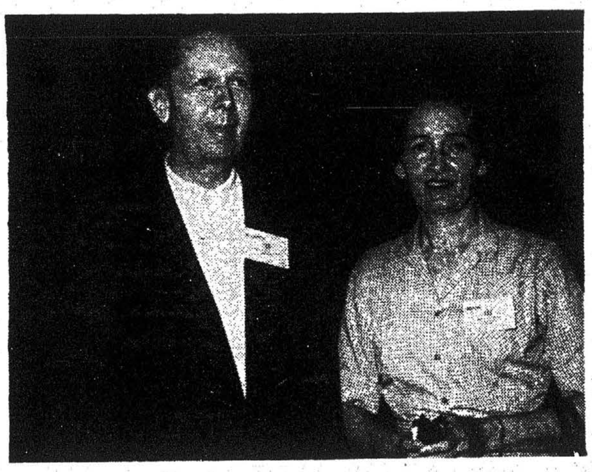
Group Chairmen's Committee, Breakfast Meeting—George A. Newton, *G. H. Walker & Co.*, St. Louis, Chairman



Eugene de Bronkart, *Hill, Darlington & Grimm*, New York City; Peter Darlington, *Hill, Darlington & Grimm*, New York City; Mr. & Mrs. Delmont K. Pfeffer, *First National City Bank*, New York City



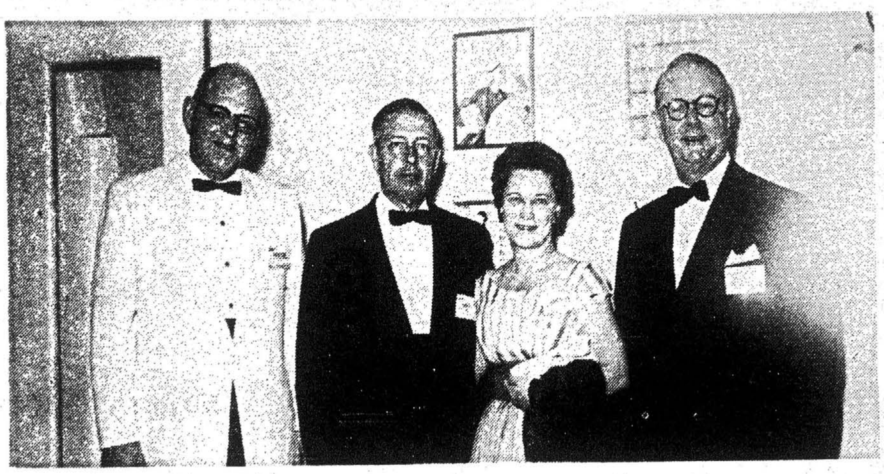
Mr. Harry C. Diggs, Jr., *Mason-Hagan, Inc.*, Richmond, Va.; Mr. & Mrs. John C. Hagan, III, *Mason-Hagan, Inc.*, Richmond, Va.; Robert E. Moroney, *Moroney, Beissner & Co.*, Houston, Tex.



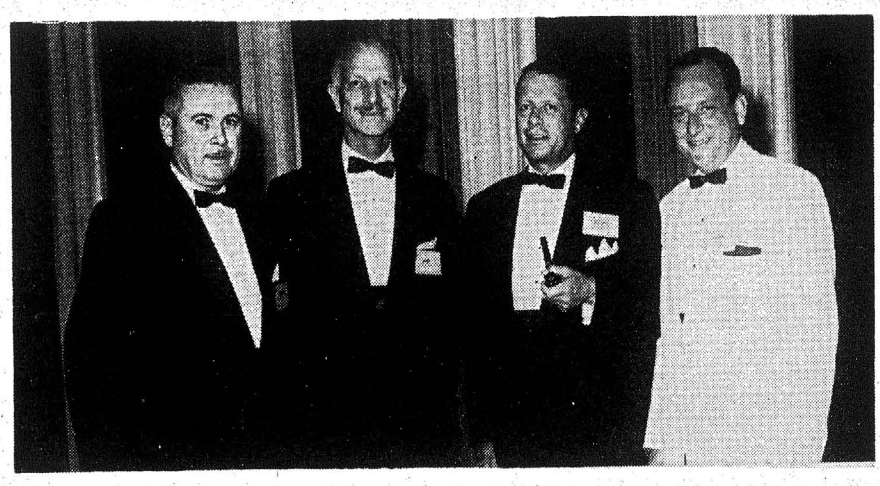
Mr. & Mrs. N. Clayton Lee, *United Securities Co.*, Greensboro, N. C.

Mr. & Mrs. Robert E. Clark, *Calvin Bullock, Ltd.*, New York

Mr. & Mrs. G. Keith Funston, *New York Stock Exchange*, New York

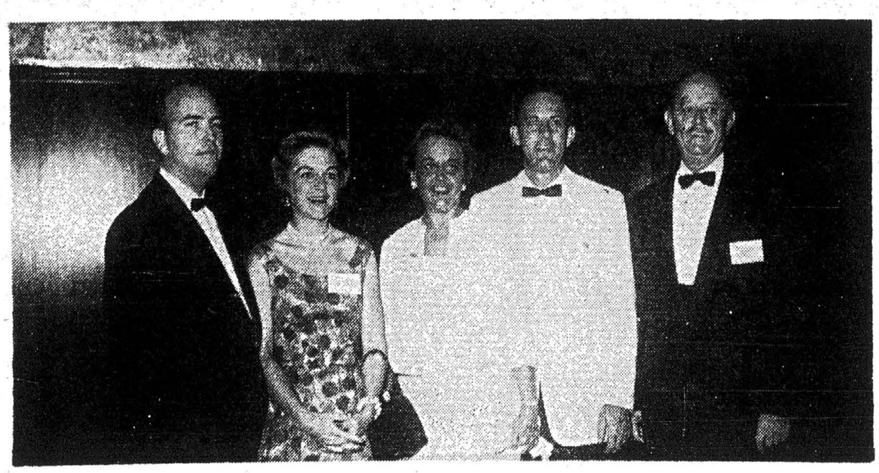


Glenn E. Anderson, *Carolina Securities Corporation*, Raleigh, N. C.; Edward C. George, *Harriman Ripley & Co., Incorporated*, Chicago; Murray Hanson, *General Counsel of the Investment Bankers Association*, Washington, D. C.

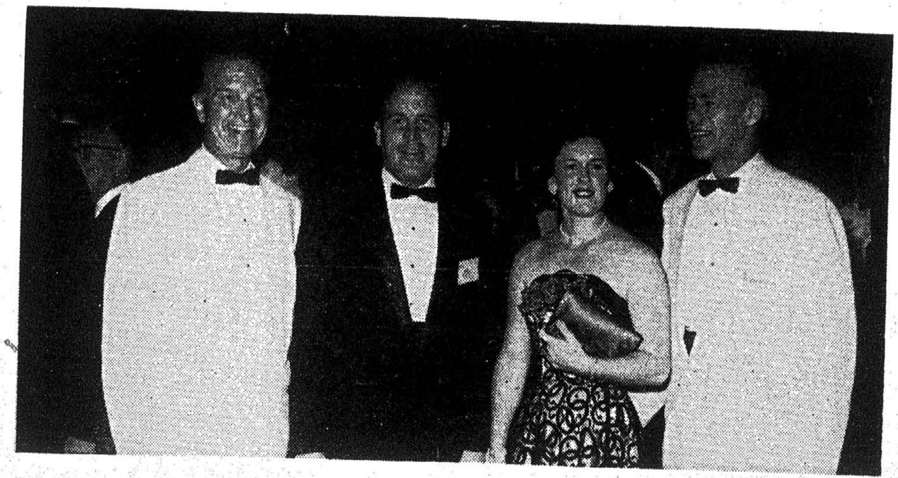


J. F. Stephens, *Texas Fund Management Co.*, Houston; John L. Ahbe, *Distributors Group, Inc.*, New York City; John M. Bleakie, *W. E. Hutton & Co.*, Boston; John W. Bunn, *Stifel, Nicolaus & Co., Incorporated*, St. Louis

C. Vincent Williams, *S. D. Fuller & Co.*, New York; Peyton H. Knight, *S. D. Fuller & Co.*, New York; Mr. & Mrs. G. C. Stevenson, *Bacon, Stevenson & Co.*, New York

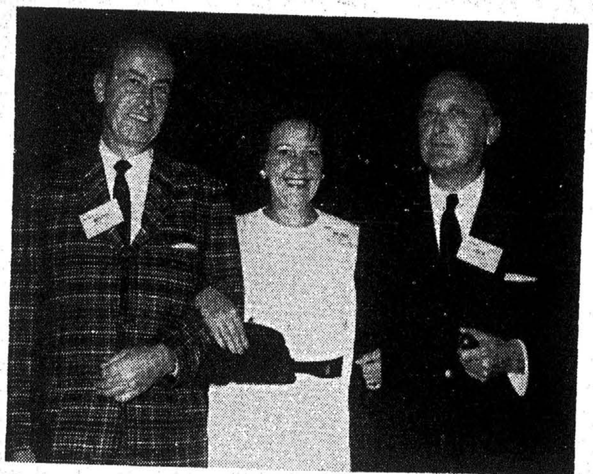


Mr. & Mrs. Richard A. Schmelzle, *Fusz-Schmelzle & Co.*, St. Louis; Mr. & Mrs. Joseph E. Lay, *The Robinson-Humphrey Company*, Atlanta; Joseph C. Nugent, *Mabon & Co.*, New York City



Edwin Stugard, *A. C. Allyn & Co.,* Miami Beach; Mr. & Mrs. Milton Luce, Jr., *Luce, Thompson & Crowe,* Kansas City, Mo.; John W. Brandenberger, *E. F. Hutton & Co.,* Houston

Mr. & Mrs. J. Ian Crookston, *Nesbitt, Thomson & Co.,* Toronto; Mr. & Mrs. George Rutherford, *Dominion Securities Corporation,* New York



Mr. & Mrs. Thomas A. Melody, *Merrill, Turben & Co.,* Cleveland; J. Victor Loewi, *Loewi & Co., Inc.,* Milwaukee

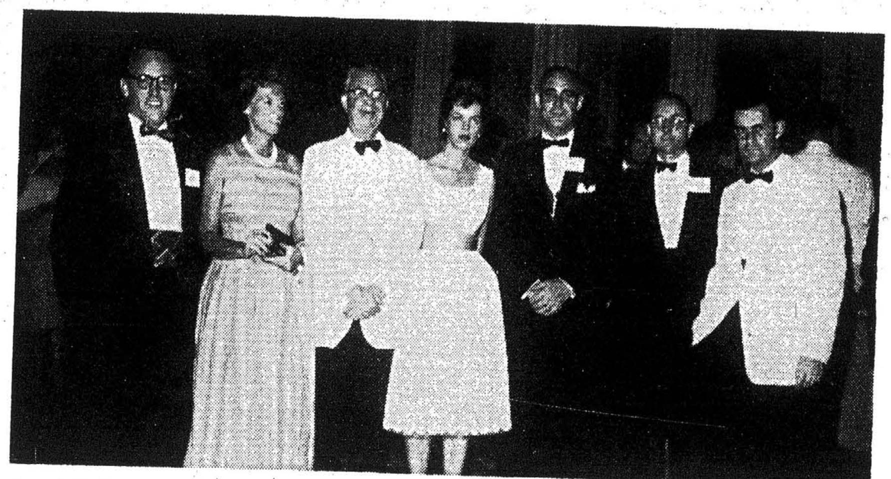
Mr. & Mrs. Arthur Weisenberger, *Arthur Wiesenberger & Co.,* New York City

Mr. & Mrs. John P. Labouisse, *Howard, Weil, Labouisse, Friedrichs & Company,* New Orleans

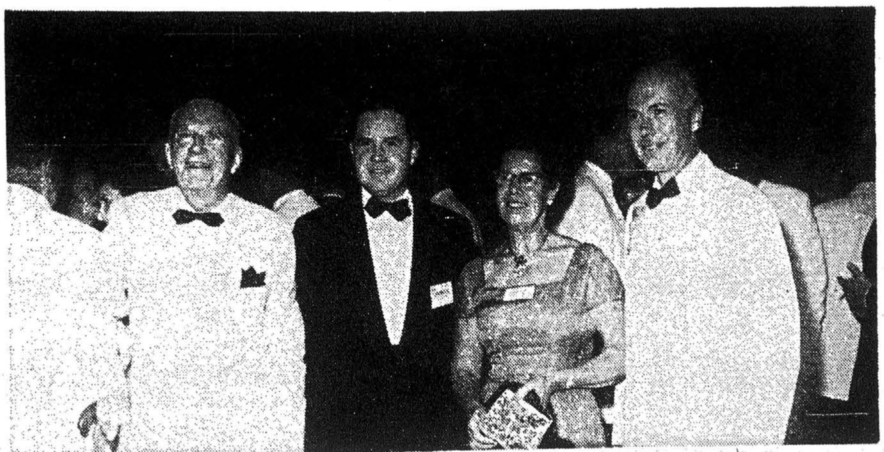
H. C. Frost, *Hayden, Miller & Co.,* Cleveland; Clarence F. Davis, *First Cleveland Corp.,* Cleveland; Mr. & Mrs. Edgar E. Legros, *First Cleveland Corp.,* Cleveland; Charles E. Cady, *Cady & Co.,* Columbus, Miss.

Mr. & Mrs. George MacDonald, *McLeod, Young, Weir, Inc.,* New York; Mr. & Mrs. Arnold B. Massey, *Mills, Spence & Co.,* Toronto; Andrew Beaubien, *L. G. Beaubien & Co.,* Montreal; Mr. & Mrs. Irving H. Campbell, *Bell, Gouinlock & Co.,* Toronto

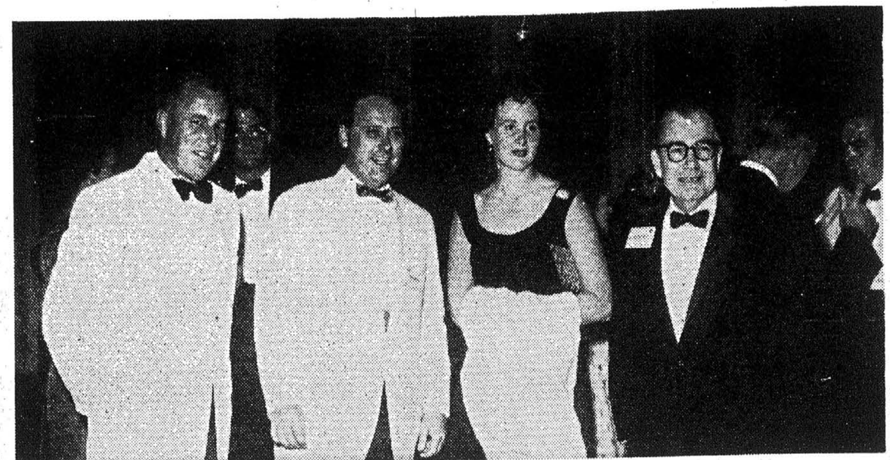
Burton M. Eggan, *Glore, Forgan & Co.,* Chicago; Leslie Lagoni, *Parker, Ford & Company, Inc.,* Dallas; Norman Erlanger, *Asiel & Co.,* New York City; Lewis M. Krohn, *Ira Haupt & Co.* New York City



Joseph E. Eaton, *Eaton & Howard,* New York; Mr. & Mrs. Philip M. Stearns, *Oscar E. Dooly & Co.,* Miami; Mr. & Mrs. Frederic C. Beil, Jr., *Beil & Hough,* St. Petersburg, Fla.; Marsom B. Pratt, *Estabrook & Co.,* Boston; John B. Richter, *Butcher & Sherrerd,* Philadelphia



Eugene de Bronkart, *Hill, Darlington & Grimm*, New York City; Peter Darlington, *Hill, Darlington & Grimm*, New York City; Mr. & Mrs. Delmont K. Pfeffer, *First National City Bank*, New York City

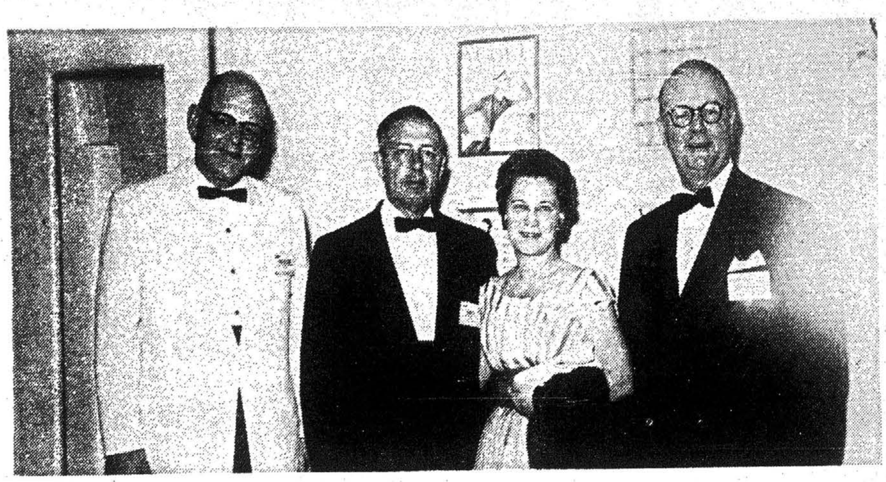


Mr. Harry C. Diggs, Jr., *Mason-Hagan, Inc.*, Richmond, Va.; Mr. & Mrs. John C. Hagan, III, *Mason-Hagan, Inc.*, Richmond, Va.; Robert E. Moroney, *Moroney, Beissner & Co.*, Houston, Tex.

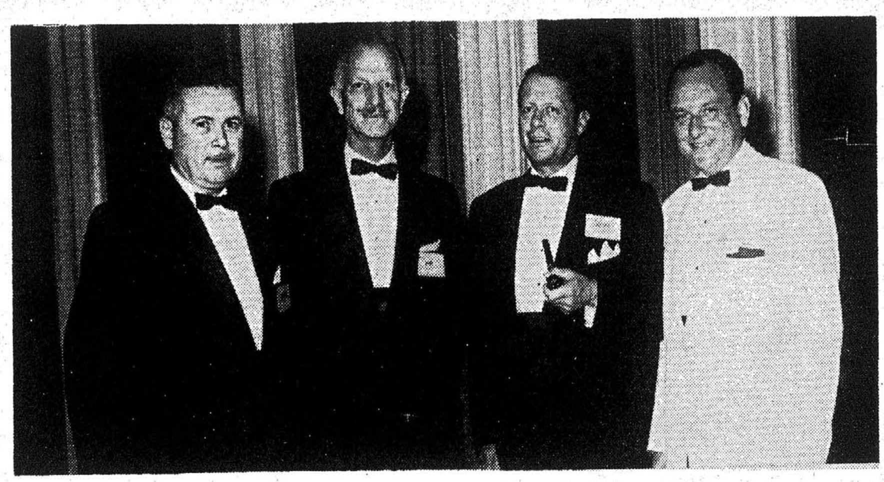
Mr. & Mrs. N. Clayton Lee, *United Securities Co.*, Greensboro, N. C.

Mr. & Mrs. Robert E. Clark, *Calvin Bullock, Ltd.*, New York

Mr. & Mrs. G. Keith Funston, *New York Stock Exchange*, New York

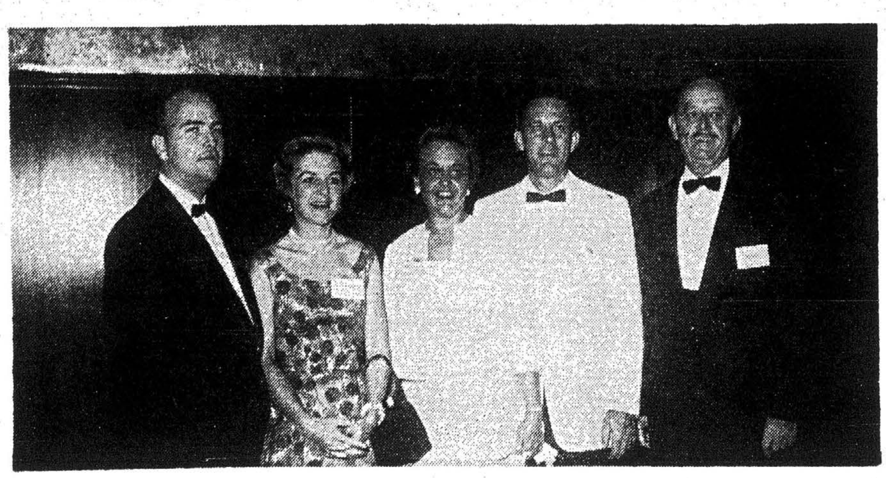


Glenn E. Anderson, *Carolina Securities Corporation*, Raleigh, N. C.; Edward C. George, *Harriman Ripley & Co., Incorporated*, Chicago; Murray Hanson, *General Counsel of the Investment Bankers Association*, Washington, D. C.

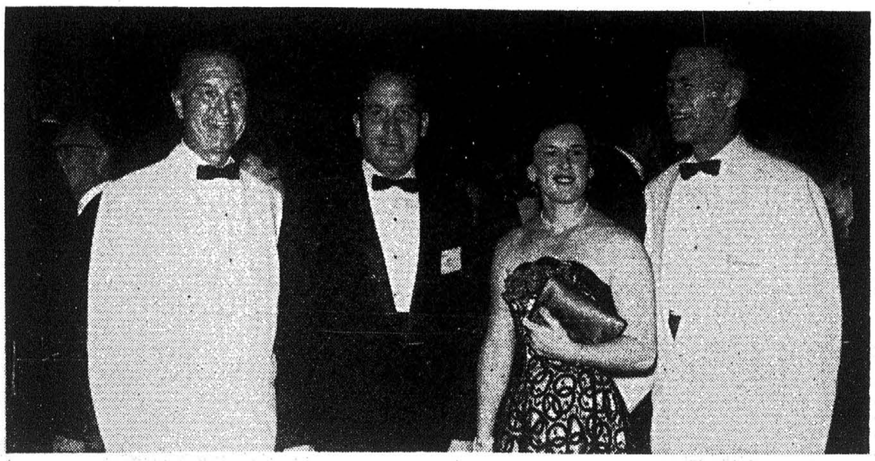


J. F. Stephens, *Texas Fund Management Co.*, Houston; John L. Ahbe, *Distributors Group, Inc.*, New York City; John M. Bleakie, *W. E. Hutton & Co.*, Boston; John W. Bunn, *Stifel, Nicolaus & Co., Incorporated*, St. Louis

C. Vincent Williams, *S. D. Fuller & Co.*, New York; Peyton H. Knight, *S. D. Fuller & Co.*, New York; Mr. & Mrs. G. C. Stevenson, *Bacon, Stevenson & Co.*, New York



Mr. & Mrs. Richard A. Schmelzle, *Fusz-Schmelzle & Co.*, St. Louis; Mr. & Mrs. Joseph E. Lay, *The Robinson-Humphrey Company*, Atlanta; Joseph C. Nugent, *Mabon & Co.*, New York City



Edwin Stugard, *A. C. Allyn & Co.*, Miami Beach; Mr. & Mrs. Milton Luce, Jr., *Luce, Thompson & Crowe*, Kansas City, Mo.; John W. Brandenberger, *E. F. Hutton & Co.*, Houston

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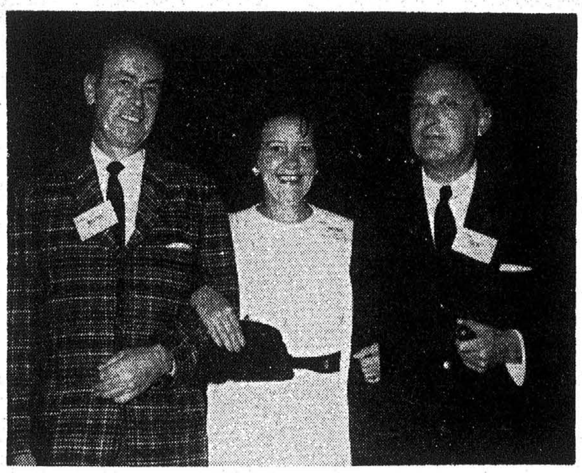
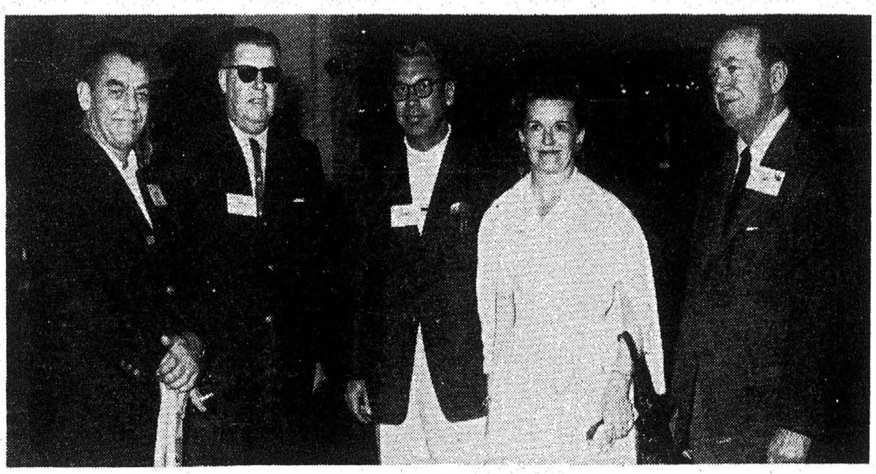


Mr. & Mrs. Thomas A. Melody, *Merrill, Turben & Co.*, Cleveland; J. Victor Loewi, *Loewi & Co., Inc.*, Milwaukee

Mr. & Mrs. Arthur Weisenberger, *Arthur Wiesenberger & Co.*, New York City

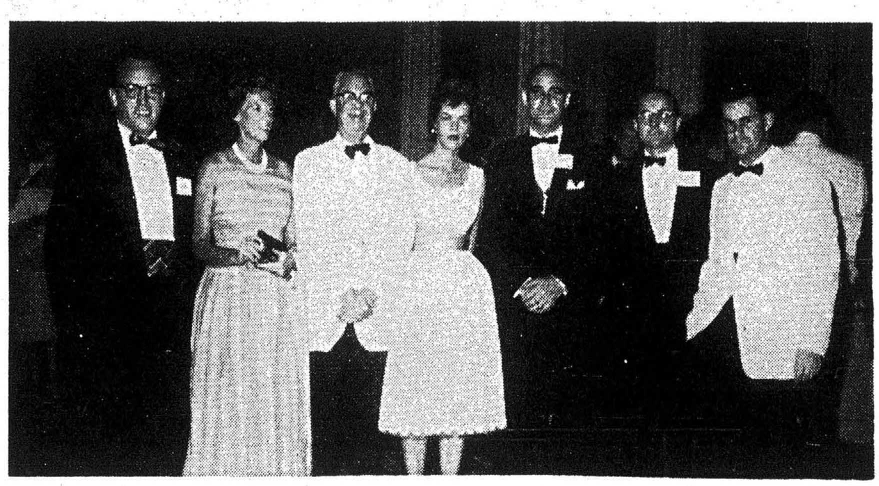
Mr. & Mrs. John P. Labouisse, *Howard, Weil, Labouisse, Friedrichs & Company*, New Orleans



H. C. Frost, *Hayden, Miller & Co.*, Cleveland; Clarence F. Davis, *First Cleveland Corp.*, Cleveland; Mr. & Mrs. Edgar E. Legros, *First Cleveland Corp.*, Cleveland; Charles E. Cady, *Cady & Co.*, Columbus, Miss.

Mr. & Mrs. George MacDonald, *McLeod, Young, Weir, Inc.*, New York; Mr. & Mrs. Arnold B. Massey, *Mills, Spence & Co.*, Toronto; Andrew Beaubien, *L. G. Beaubien & Co.*, Montreal; Mr. & Mrs. Irving H. Campbell, *Bell, Gouinlock & Co.*, Toronto

Burton M. Eggan, *Glore, Forgan & Co.*, Chicago; Leslie Lagoni, *Parker, Ford & Company, Inc.*, Dallas; Norman Erlanger, *Asiel & Co.*, New York City; Lewis M. Krohn, *Ira Haupt & Co.* New York City

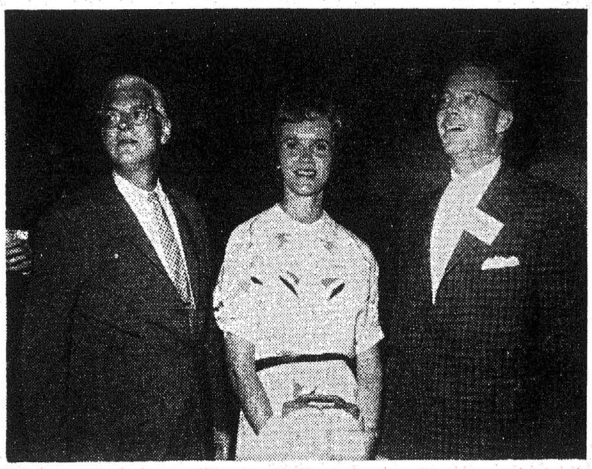


Joseph E. Eaton, *Eaton & Howard*, New York; Mr. & Mrs. Philip M. Stearns, *Oscar E. Dooly & Co.*, Miami; Mr. & Mrs. Frederic C. Beil, Jr., *Beil & Hough*, St. Petersburg, Fla.; Marsom B. Pratt, *Estabrook & Co.*, Boston; John B. Richter, *Butcher & Sherrerd*, Philadelphia

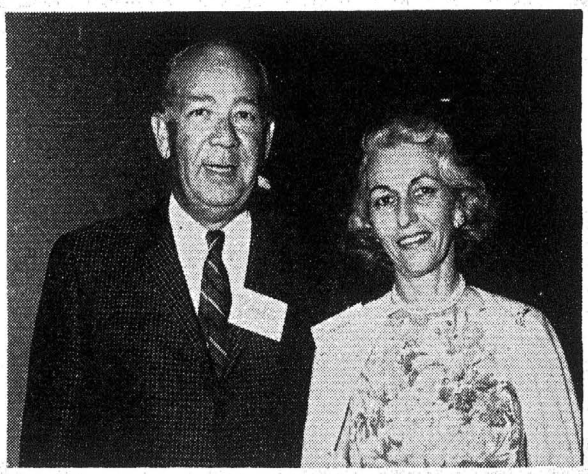
Mr. & Mrs. Salvador Rodriguez, *Government Development Bank,* San Juan, Puerto Rico; Mr. & Mrs. Richard W. Grimm, *Government Development Bank,* San Juan, Puerto Rico; Mr. & Mrs. Duncan C. Gray, *B. J Van Ingen & Co., Inc.,* New York

Mr. & Mrs. Beardslee B. Merrill, *Richard, Merrill & Peterson,* Spokane, Wash.; Mr. & Mrs. Herman L. Lind, *Camp & Co.,* Portland, Oreg.; Mr. & Mrs. Henry J. Simonson, *National Securities & Research Corporation,* New York

Charles A. Parcells, Jr., *Charles A. Parcells & Co.,* Detroit

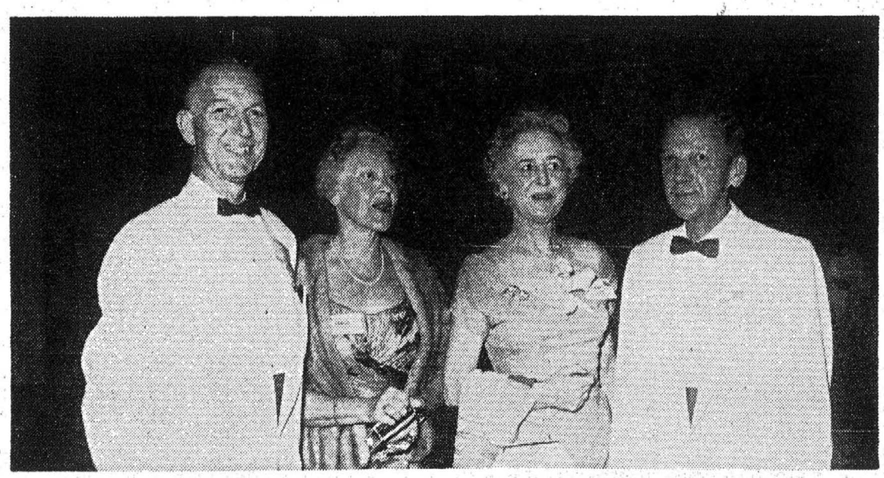


George R. Torrey, *McCormick & Co.,* Chicago; Mr. & Mrs. David Torrey, *W. C. Pitfield & Co., Inc.,* New York



Mr. & Mrs. Earl G. Fridley, *Fridley & Frederking, Houston*

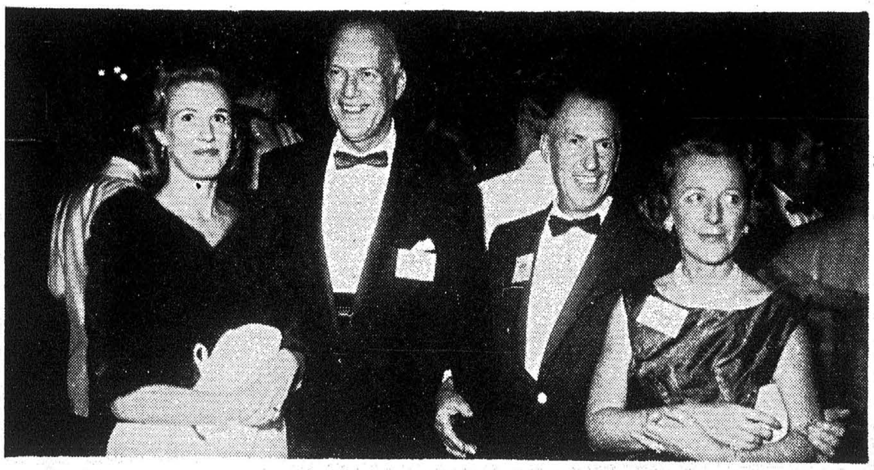
Mr. & Mrs. Alan H. Rice, *Irving J. Rice & Co.,* St. Paul, Minn.; Mr. & Mrs. Orville Desmond, *Stranahan, Harris & Co.,* Toledo, Ohio



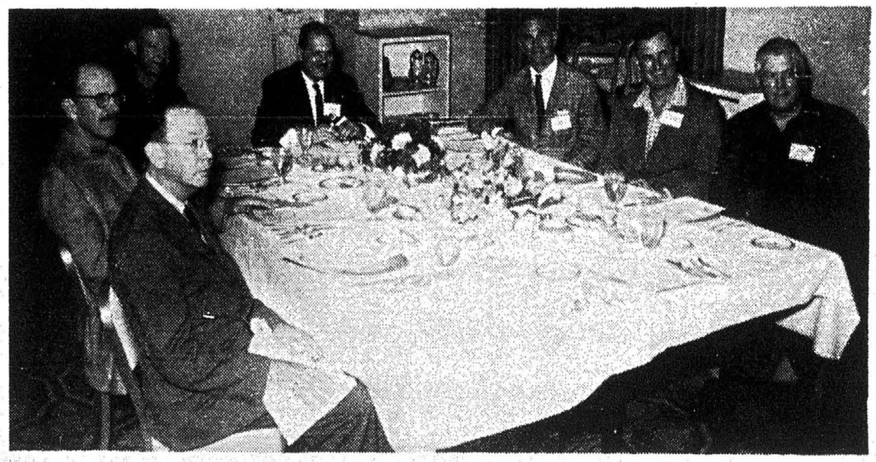
Mr. & Mrs. Walter W. Craigie, *F. W. Craigie & Co.,* Richmond, Va.; Mr. & Mrs. Rucker Agee, *Sterne, Agee & Leach,* Birmingham, Ala.

Joseph T. Johnson, *The Milwaukee Company,* Milwaukee, Wis.; Mr. & Mrs. Dennis E. Murphy, *The Ohio Company,* Columbus, Ohio; George G. Scully, *The Ohio Company,* Columbus, Ohio

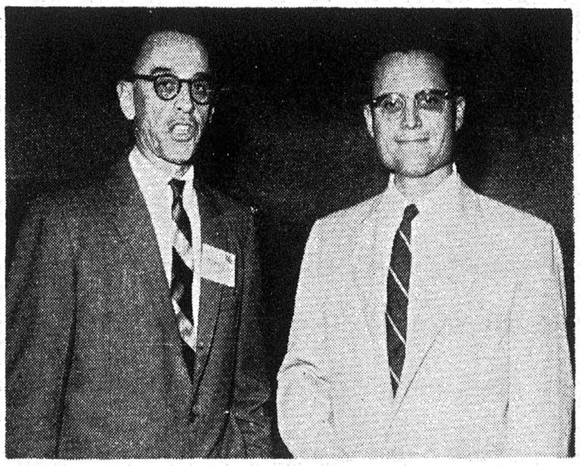
Mr. & Mrs. Alger J. Jacobs, *Crocker Anglo National Bank,* San Francisco; Dennis E. Murphy, *The Ohio Company,* Columbus; Mr. & Mrs. Henry J. Crawford, *Squire, Sanders & Dempsey,* Cleveland



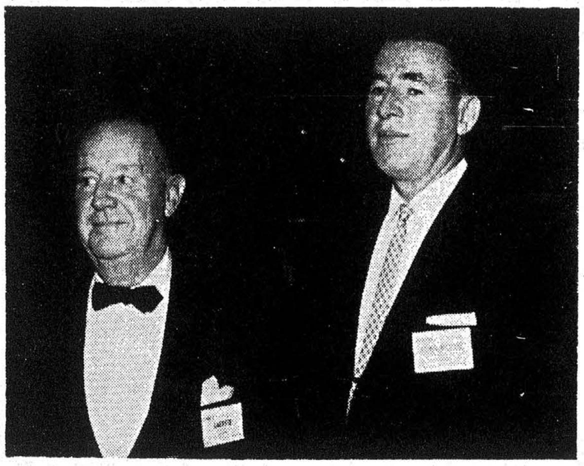
Mr. & Mrs. Stephen C. Reynolds, Jr., *Hemphill, Noyes & Co.*, New York; Mr. & Mrs. Toby Morgan, *The Hanover Bank*, New York



Financial Advisors Committee, Luncheon Meeting—William C. Jackson, Jr., *First Southwest Company*, Dallas, Chairman

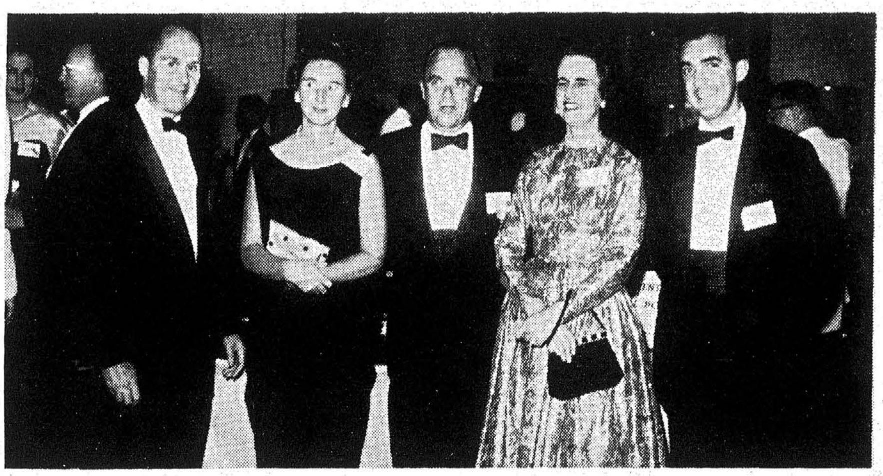


John Redwood, Jr., *Baker, Watts & Co.*, Baltimore; Ferg M. Alleman, Jr., *Leedy, Wheeler & Alleman*, Orlando, Florida



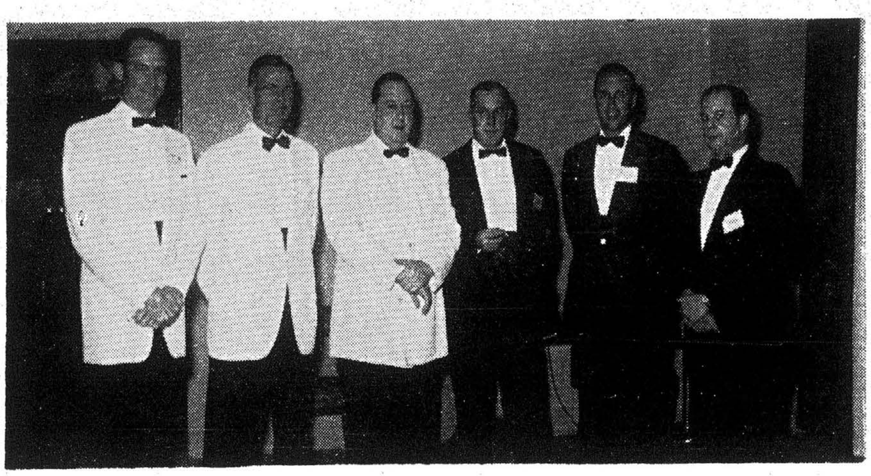
John L. Gaerste, *Cooley & Company*, Hartford, Conn.; Francis J. Cunningham, *Kidder, Peabody & Co.*, New York

Mr. & Mrs. Peter Knoop, *Auchincloss, Parker & Redpath*, New York; Charles M. Miller, *Mullaney, Wells & Company*, Chicago

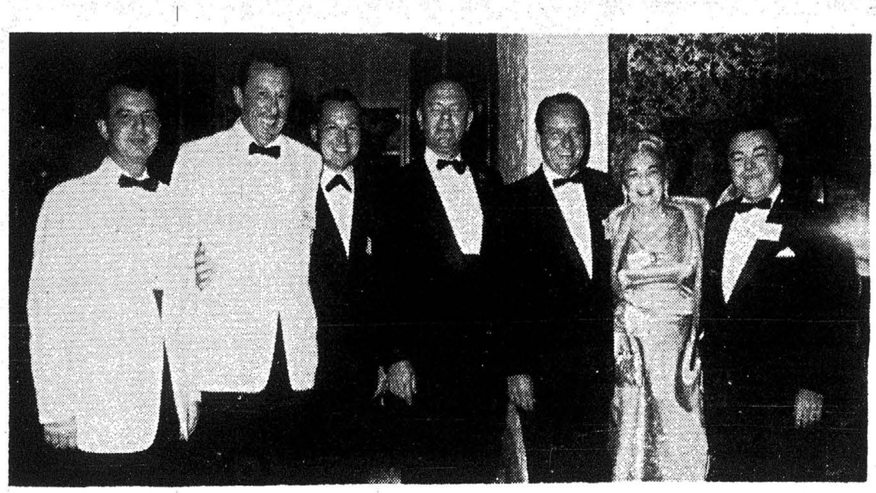


Mr. & Mrs. Roscoe Ayers, *Cruttenden, Podesta & Co.*, Denver, Colo.; Mr. & Mrs. William D. Kerr, *Wertheim & Co.*, New York; John S. Hilson, *Wertheim & Co.*, New York

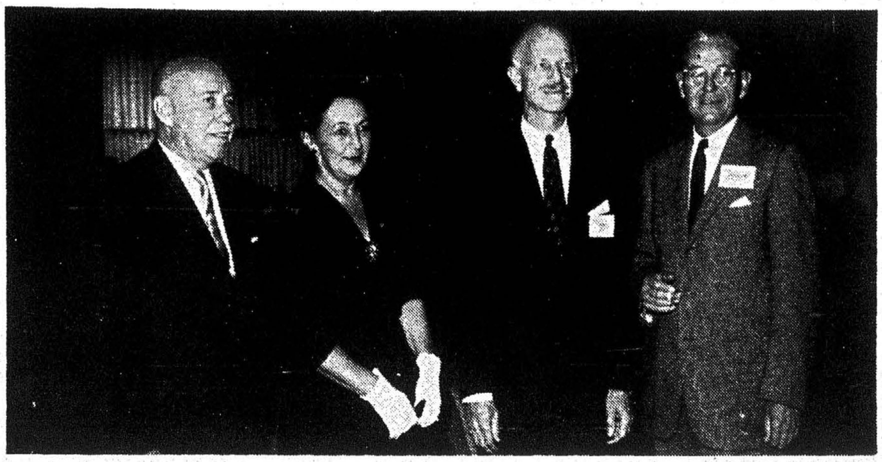
Mr. & Mrs. C. B. McDonald, *McDonald & Co.*, Cleveland; Mr. & Mrs. Charles E. Lovell, *McDonald & Co.*, Youngstown, Ohio



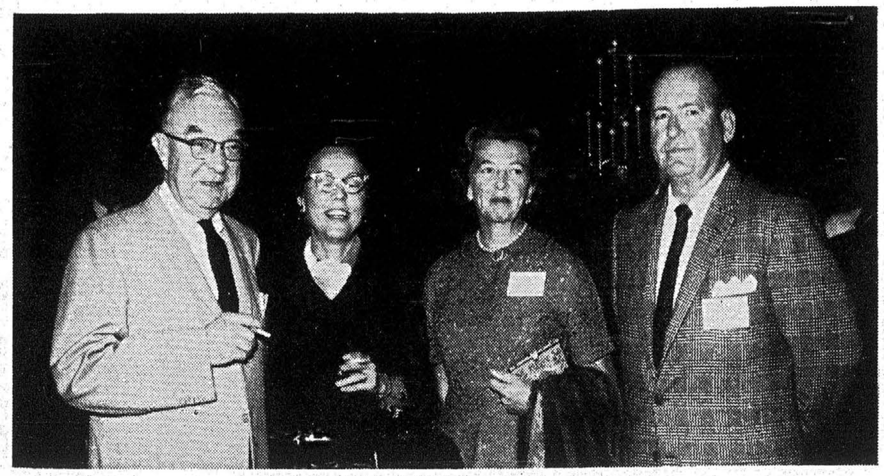
William A. Stevens, *J. C. Wheat & Co.*, Richmond, Va.; Mark A. Smith, *F. W. Craigie & Co.*, Richmond, Va.; Ludwell A. Strader, *Strader & Company, Incorporated*, Lynchburg, Va.; Harry C. Diggs, Jr., *Mason-Hagan, Inc.*, Richmond, Va.; L. Gordon Miller, *J. C. Wheat & Co.*, Richmond, Va.; Thomas Boynton, *Ladenburg, Thalmann & Co.*, New York



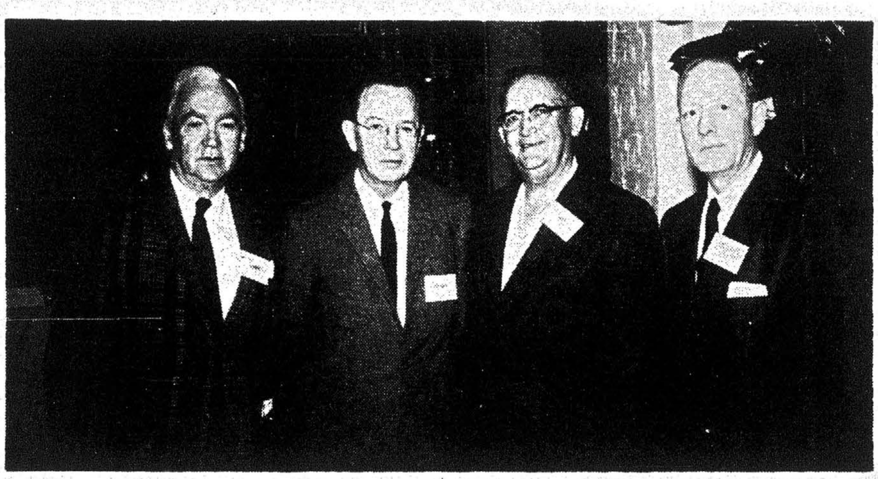
Graham Bell, *Hayden, Stone & Co.*, New York; E. William Darmstatter, *Stifel, Nicolaus & Company Incorporated*, St. Louis; Norman E. Heitner, *Yates, Heitner & Woods*, St. Louis; Clarence F. Blewer, *Blewer, Glynn & Co.*, St. Louis; John W. Bunn, *Stifel, Nicolaus & Company Incorporated*, St. Louis; Mr. & Mrs. Hunter Breckenridge, *McCourtney-Breckenridge & Co.*, St. Louis



Mr. & Mrs. C. Gunther, *Distributors Group, Incorporated*, New York; John L. Ahbe, *Distributors Group, Incorporated*, New York; Herbert R. Anderson, *Distributors Group, Incorporated*, New York



Mr. & Mrs. C. G. Kaufman, *Rodman & Renshaw*, Chicago; Mr. & Mrs. J. Denny May, *Parker Corporation*, Boston



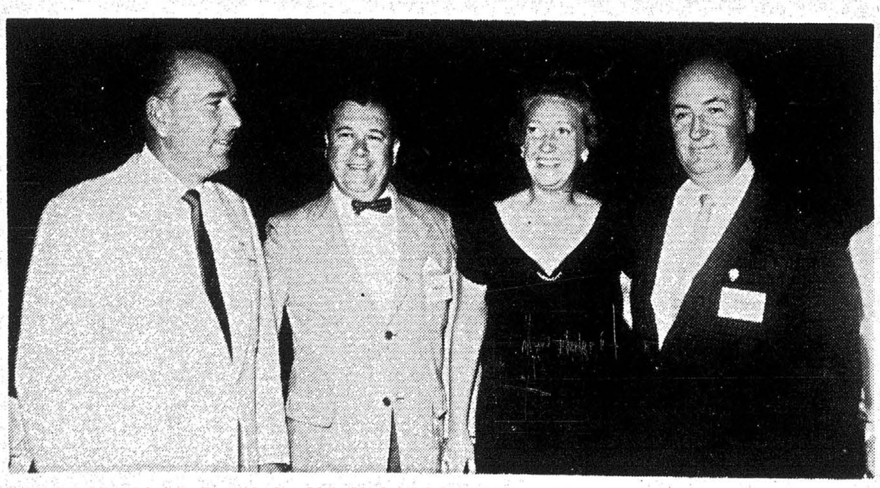
William P. Sharpe, *Mercantile Trust Company*, St. Louis; Joseph E. Refsnes, *Refsnes, Ely, Beck & Co.*, Phoenix, Ariz.; George H. C. Green, *Liberty National Bank & Trust Company*, Oklahoma City, Okla.; Early F. Mitchell, *First National Bank*, Memphis

Mr. & Mrs. J. F. Jacques, *First Southwest Company*, Dallas; Mr. & Mrs. W. C. (Decker) Jackson, Jr., *First Southwest Company*, Dallas; John S. Hilson, *Wertheim & Co.*, New York; Mr. & Mrs. Russell Ergood, Jr., *Stroud & Company, Incorporated*, Philadelphia

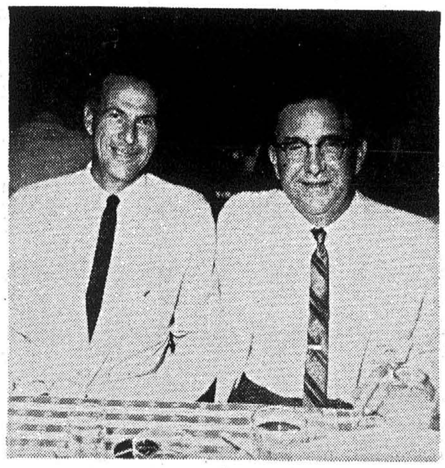
Mr. & Mrs. Calvin Clayton, *Clayton Securities Corporation*, Boston; Connie Hayes, New York City; Mr. & Mrs. Bert Behrens, *Lehman Brothers*, New York

Joseph D. Purcell, III; Dorothy Meyer; Mr. & Mrs. Maurice Meyer, Jr., *Hirsch & Co.*, New York

Mr. & Mrs. T. E. Graham, *First National Bank*, Ft. Worth, Texas; Mr. & Mrs. William N. Edwards, *William N. Edwards & Co.*, Ft. Worth, Texas



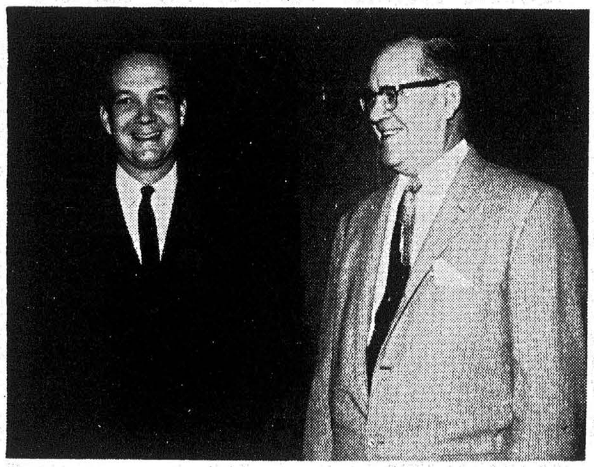
Ned Byrne, *Phelps, Fenn & Co.*, New York; John de Milhau, *Chase Manhattan Bank*, New York; Mr. & Mrs. David Callaway, *First of Michigan Corp.*, New York



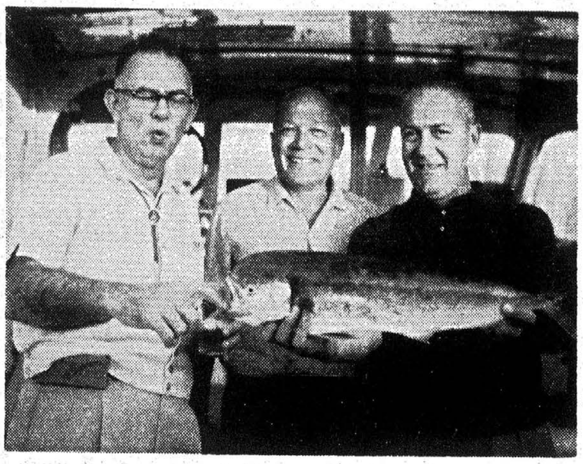
Mark Smith, *F. W. Craigie & Co.*, Richmond Va.; Walter Morse, *Lehman Brothers*, New York City

James E. Roddy, *Scharff & Jones, Inc.*, New Orleans; Mr. & Mrs. Andrew W. Eberstadt, *F. Eberstadt & Co.*, New York; Henry F. Willems, *Hornblower & Weeks*, New York

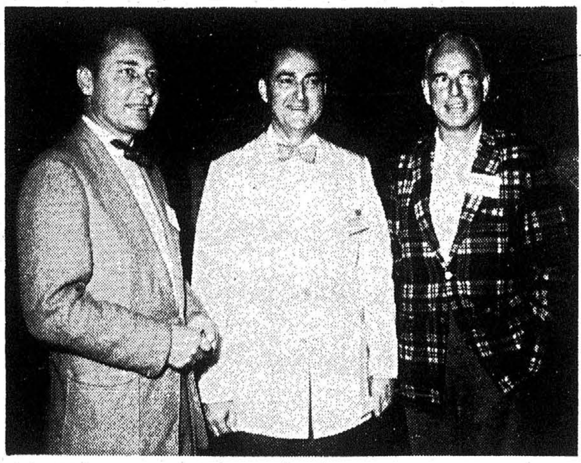
Mr. & Mrs. Thomas M. Johnson, *Johnson, Lane, Space & Co.*, Savannah



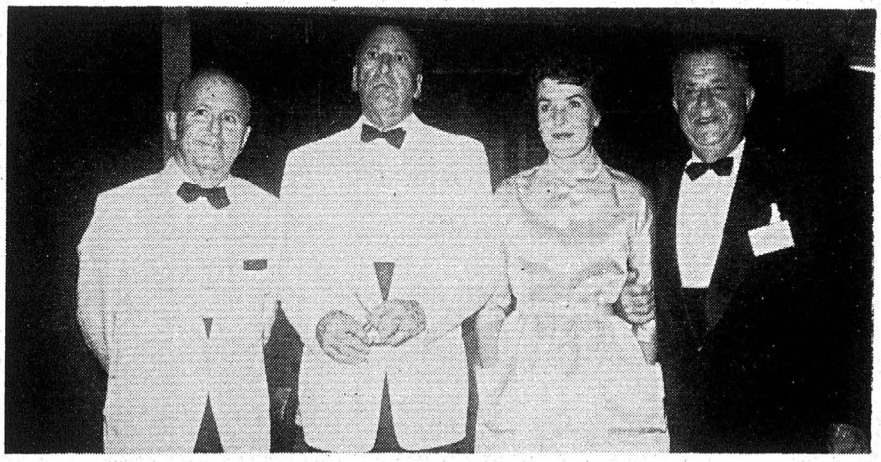
John P. Krause, *Reinholdt & Gardner*, St. Louis; Arthur Christophel, *Reinholdt & Gardner*, St. Louis



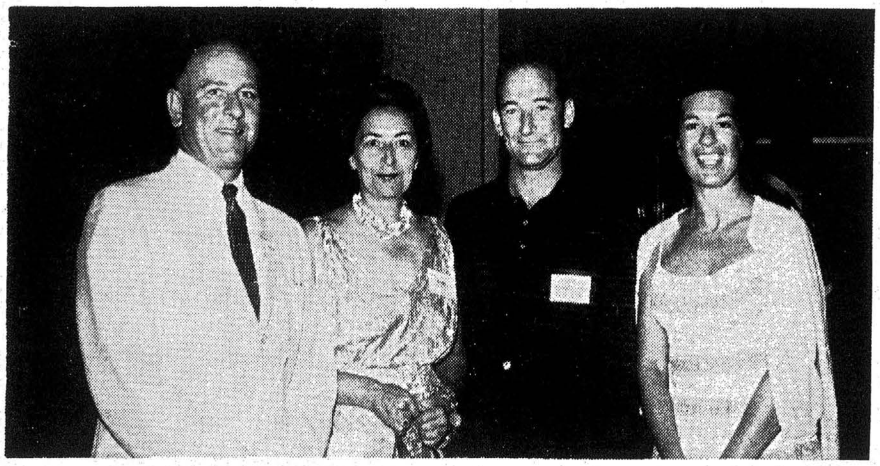
George Wendt, *First National Bank of Chicago;* Maurice Meyer, Jr., *Hirsch & Co.*, New York City; Melville P. Chamberlain, *Chemical Bank, New York Trust Company*, New York; Fish in foreground courtesy of Hal Murphy, *Commercial & Financial Chronicle*, New York



Craig Severance, *F. Eberstadt & Co.*, New York; Austin Patterson, *First Boston Corporation*, New York; Andrew K. Marckwald, *Discount Corporation of New York*

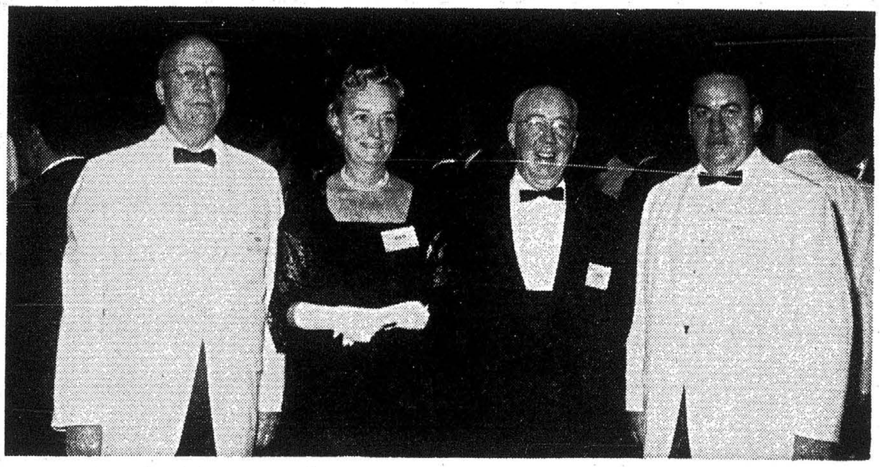


John Gertler, *Barr Brothers & Co.*, New York; Mr. & Mrs. William E. Pollock, *Wm. E. Pollock & Co.*, New York; Harry A. Michels, *Allen & Company*, New York City

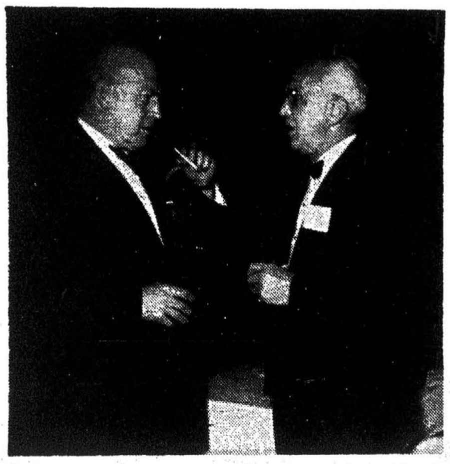


Mr. & Mrs. William D. Byrne, *Phelps, Fenn & Co.*, New York; Mr. & Mrs. Paul L. Sipp, Jr., *Stern, Lauer & Co.*, New York

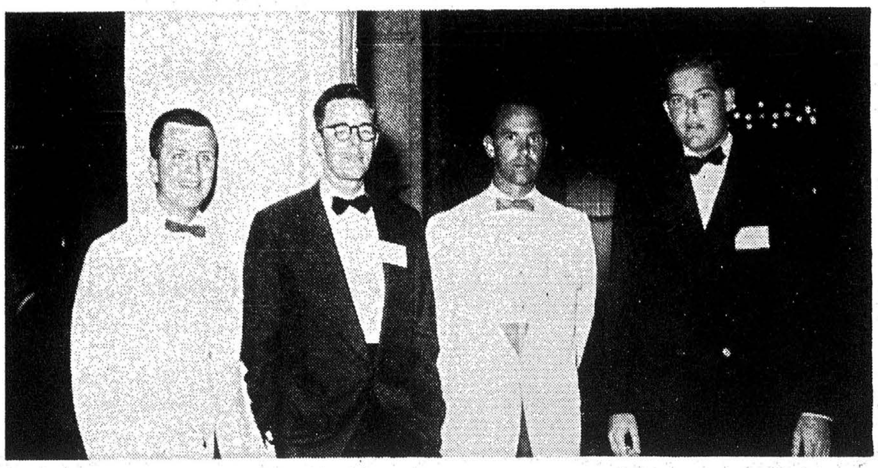
Mrs. Grace Carver; Mr. & Mrs. Harry Theis, *Stifel, Nicolaus & Co. Incorporated*, St. Louis; Mr. & Mrs. Kelton E. White, *G. H. Walker & Co.*, St. Louis



Frank A. Wood, *Goodbody & Co.*, New York; Mr. & Mrs. Thomas A. Larkin, *Goodbody & Co.*, New York; James F. Reilly, *Goodbody & Co.*, New York

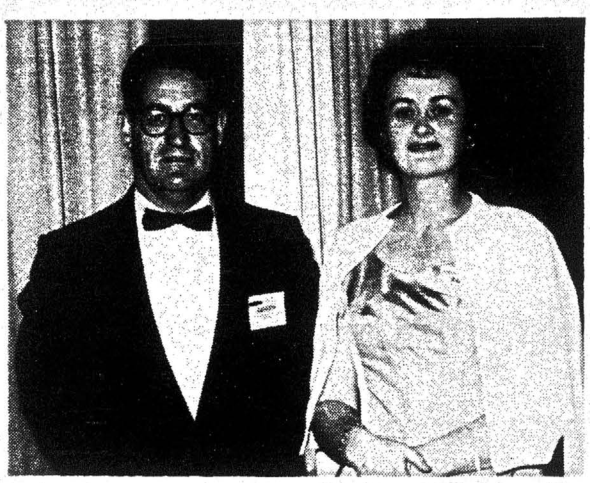


Joshua A. Davis, *Blair & Co. Incorporated*, New York; Sydney Blake, *Janney, Dulles & Battles*, Philadelphia



William L. Frazier, *Curtiss, House & Co.*, Cleveland; Sidney Buford Scott, *Scott & Stringfellow*, Richmond, Va.; George M. Ferris, *Ferris & Co.*, Washington, D. C.; Allan A. Ryan, III, *Smith, Barney & Co.*, New York City

Mr. & Mrs. R. S. Abernethy, *Interstate Securities Corporation*, Charlotte, N. C.

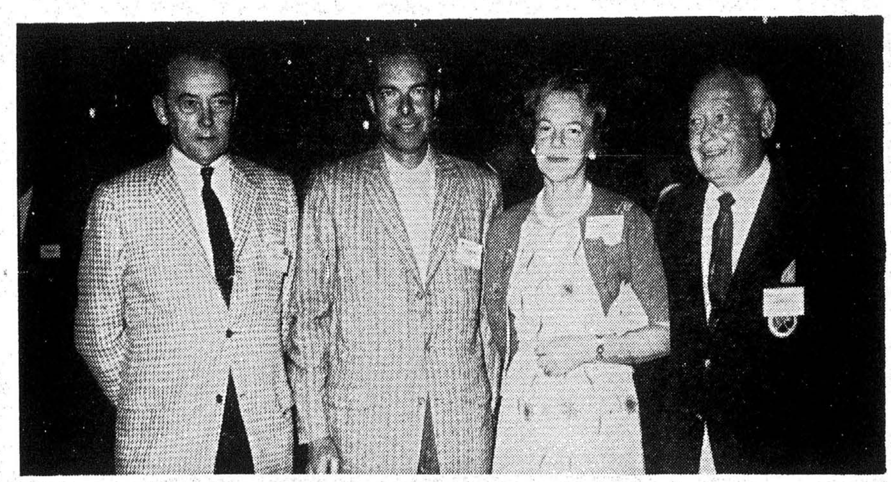


Mr. & Mrs. Patrick Rafferty, *National Securities & Research Corporation*, New York

Mr. & Mrs. Walter Morse, *Lehman Brothers*, New York

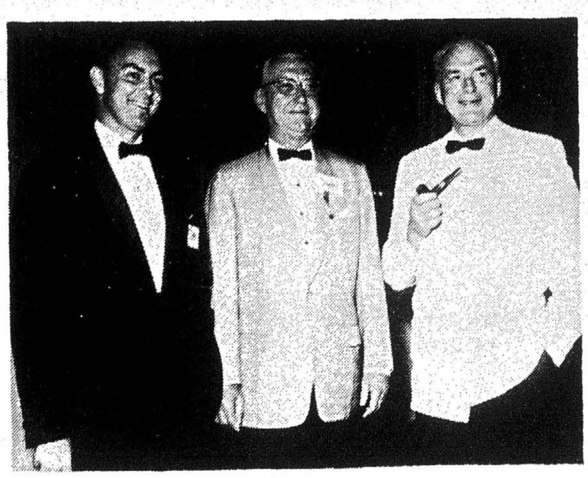
Mr. & Mrs. Earl G. Fridley, *Fridley & Frederking*, Houston; Jack R. Staples, *Fulton, Reid & Co.*, Cleveland

Mr. & Mrs. Aaron R. Eshman, *Stern, Frank, Meyer & Fox*, Los Angeles; G. Peter Nares, *James Richardson & Sons*, New York City; Norman Alexander, *James Richardson & Sons*, Winnipeg

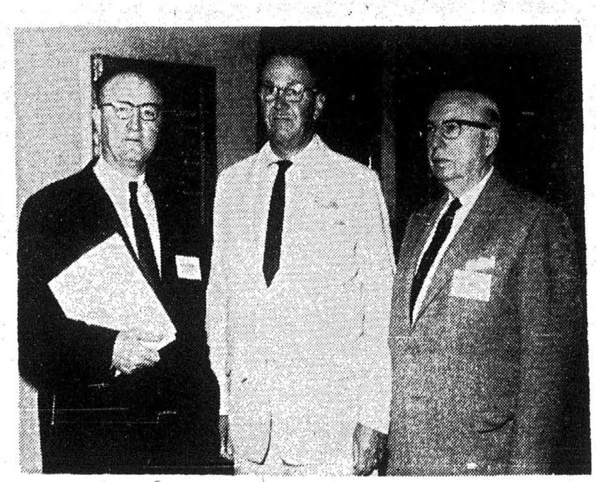


Donald B. Brayshaw, *Lord, Abbett & Co.*, Atlanta; E. W. Franklin, *Dittmar & Company, Inc.*, Dallas; Mrs. V. Theodore Low, New York; Ernest O. Dorbritz, *Moore, Leonard & Lynch*, Pittsburgh

Mr. & Mrs. Kurt H. Grunebaum, *New York Hanseatic Corporation*, New York; Edward T. McCormick, President of *American Stock Exchange*, New York



John E. Beebe, *Chase Manhattan Bank*, New York; Edward J. Jennett, *A. G. Becker & Co., Inc.*, Chicago; Francis B. Bowman, *Chase Manhattan Bank*, New York



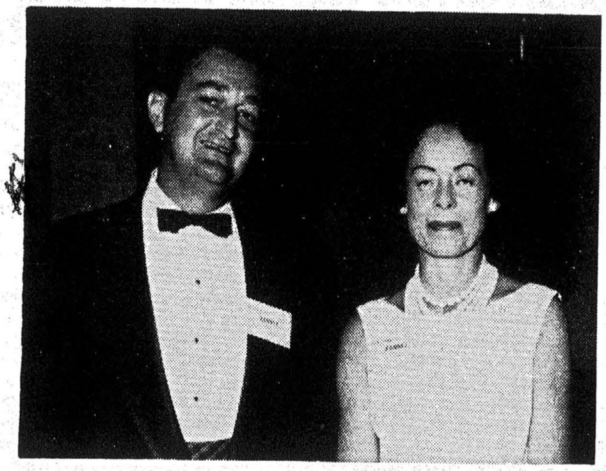
Joseph J. Muldowney, *Scott & Stringfellow*, Richmond, Va.; Edward B. Wulbern, *Pierce, Carrison, Wulbern, Inc.*, Jacksonville, Fla.; Malvern Hill, *Malvern Hill & Co., Inc.*, New York City

Mr. & Mrs. Daniel J. McCauley, Jr., *Securities & Exchange Commission*, Washington, D. C.

Alan Browne, *Bank of America, N. T. & S. A.*, Press Conference

Mr. & Mrs. Harvey B. Gram, Jr., *Johnston, Lemon & Co.*, Washington, D. C.

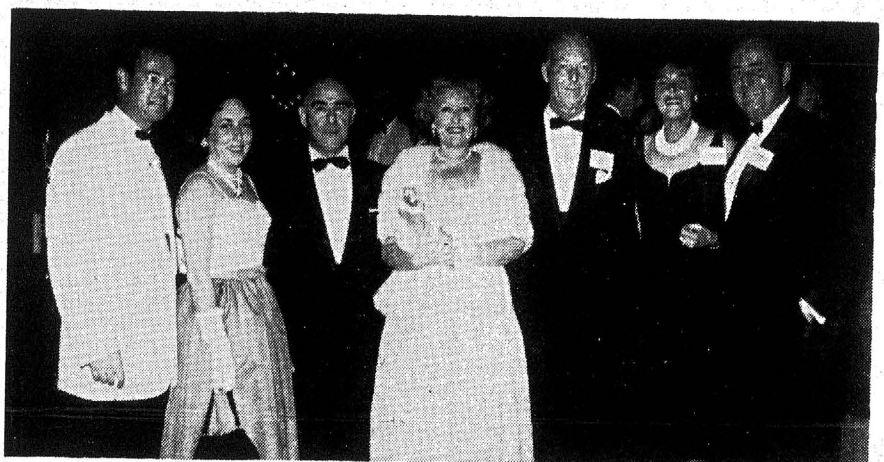
Mr. & Mrs. Fred W. Hudson, *Ball, Burge & Kraus*, Cleveland



Bruce B. Ranney, *Ball, Burge & Kraus*, Cleveland

Mr. & Mrs. Milton A. Manley, *Manley, Bennett & Co.*, Detroit

Edward K. Hardy, Jr., *The Illinois Co.*, Chicago; Edward D. Jones, *Edward D. Jones & Co.*, St. Louis; Mrs. Miles A. Watkins; Edward J. Costigan, *Edward D. Jones & Co.*, St. Louis; Miles A. Watkins, *Stubbs, Watkins & Lombardo*, Birmingham

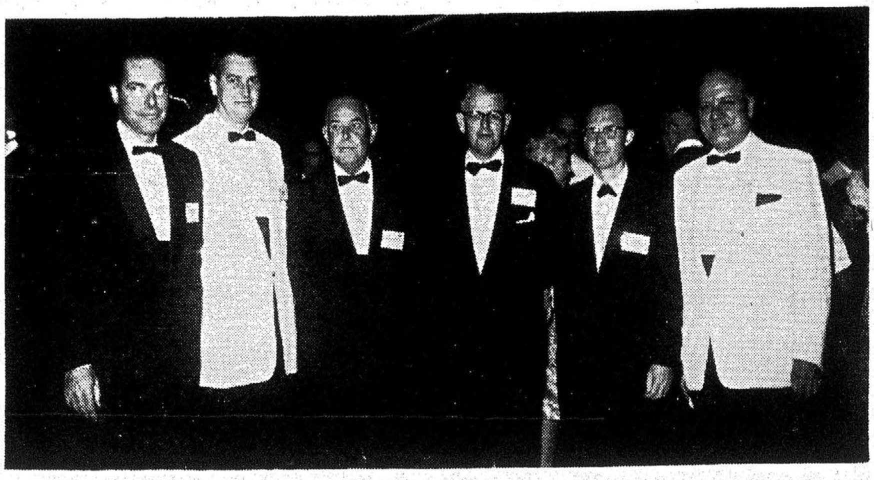


Mr. & Mrs. Graham Jones, *Cooley & Co.*, Hartford, Conn.; Fred W. Fairman, Jr., *Bache & Co.*, New York City; Mr. & Mrs. Wes Keating, *Stockyards National Bank*, Wichita, Kan.; Mr. & Mrs. P. Fred Fox, *P. F. Fox & Co., Inc.*, New York City

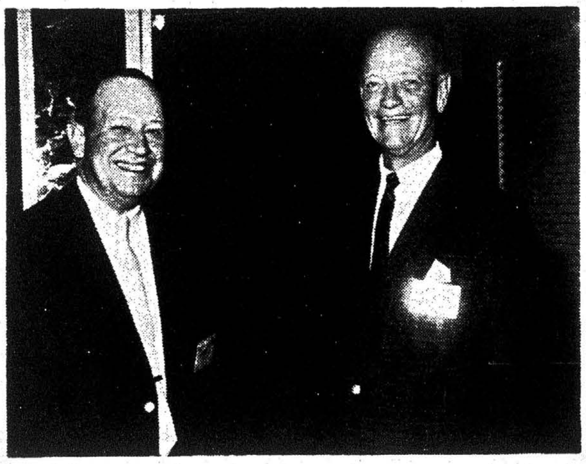
Russ Olderman, *Hayden, Miller & Co.*, Cleveland; Mr. & Mrs. J. Denny May, *Parker Corporation*, Boston, Mr. & Mrs. R. W. Ewing, *A. E. Masten & Company*, Wheeling, W. Va.; Harrison C. Frost, *Hayden, Miller & Co.*, Cleveland

J. Howard Carlson, *Carl M. Loeb, Rhoades & Co.*, New York; Mr. & Mrs. Stewart A. Dunn, *C. J. Devine & Co.*, New York; George Kneass, *Philadelphia National Bank*, Philadelphia; John A. Kruse, *Prescott, Shepard & Co.*, Cleveland

Lloyd B. Hatcher, *White, Weld & Co.*, New York; Mrs. Brainerd Whitbeck, New York; F. D. Farrell, *City National Bank & Trust Company*, Kansas City, Mo.; Philip W. K. Sweet, *Northern Trust Company*, Chicago; Harry F. Mayfield, *Commerce Trust Company*, Kansas City, Mo.; Mr. & Mrs. Edward D. McGrew, *Northern Trust Company*, Chicago; William P. Sharpe, *Mercantile Trust Company*, St. Louis

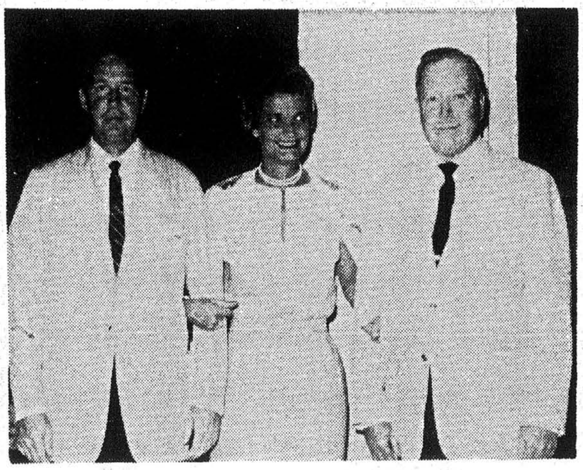


E. W. Franklin, *Dittmar & Company, Inc.*, Dallas; Wilbur G. Inman, *John Nuveen & Co.*, Chicago; H. Frank Burkholder, *Equitable Securities Corporation*, Nashville; Ira B. MacCulley, *Equitable Securities Corporation*, New York; Ronald M. Coutts, *Cruttenden, Podesta & Co.*, Chicago; Arthur E. Goodwin, Jr., *Johnston, Lemon & Co.*, Washington, D. C.

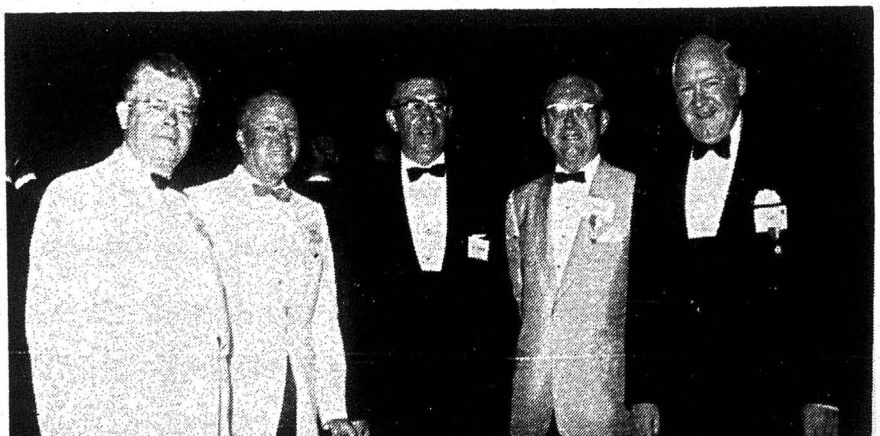


Hugh D. Carter, *Courts & Co.*, Atlanta; John H. Crago, *Smith, Moore & Co.*, St. Louis

Philip K. Bartow, *Drexel & Co.*, New York; Mr. & Mrs. William F. Machold, *Drexel & Co.*, Philadelphia

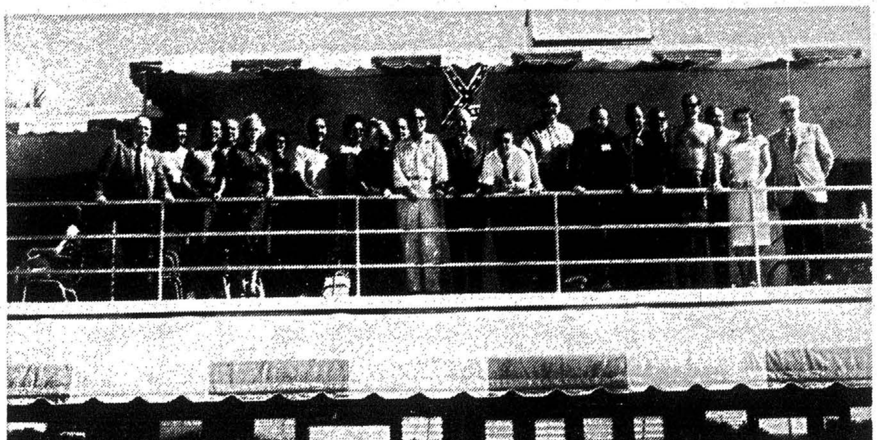


Mr. & Mrs. Lewis F. Lyne, *Mercantile National Bank*, Dallas; W. Wayne Glover, *California Bank*, Los Angeles



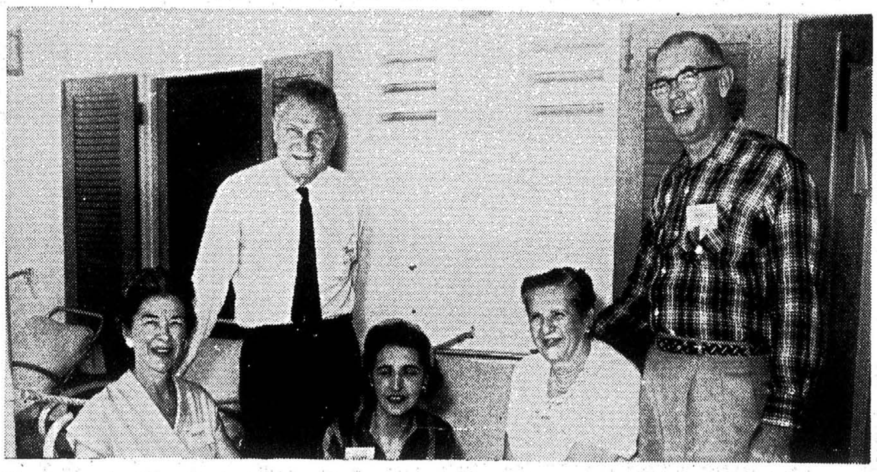
Milton F. Lewis, *A. G. Becker & Co., Inc.*, New York; Russell R. Rowles, *Rowles, Winston & Co.*, Houston; David N. Dattelbaum, *A. G. Becker & Co., Inc.*, New York; Edward J. Jennett, *A. G. Becker & Co., Inc.*, Chicago; Andrew M. Baird, *A. G. Becker & Co., Inc.*, Chicago

Mr. & Mrs. Alan K. Browne, *Bank of America, N. T. & S. A.*, San Francisco; Mr. & Mrs. Leonard R. Sullivan, *Fitzpatrick, Sullivan & Co.*, New York; Ludwell A. Strader, *Strader & Company, Incorporated*, Lynchburg, Va.; Arnold J. Kocurek, *Rauscher, Pierce & Co., Inc.*, San Antonio



Rebels All

St. Louis Room

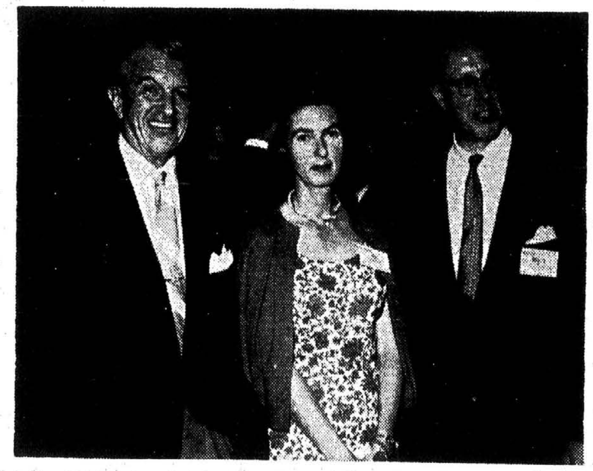


Mr. & Mrs. P. Alden Bergquist, *First National Bank of Chicago;* Mrs. Frank L. Reissner, Indianapolis; Mr. & Mrs. George B. Wendt, *First National Bank of Chicago*

Jerome C. L. Tripp, *Tripp & Co., Inc.,* New York; Mr. & Mrs. Robert Gerrish, *Oscar E. Dooly & Co.,* Miami; Gordon Cadwgan, *G. H. Walker & Co.,* Providence, R. I.

Mr. & Mrs. Curtis H. Bingham, *Bingham, Walter & Hurry,* Los Angeles

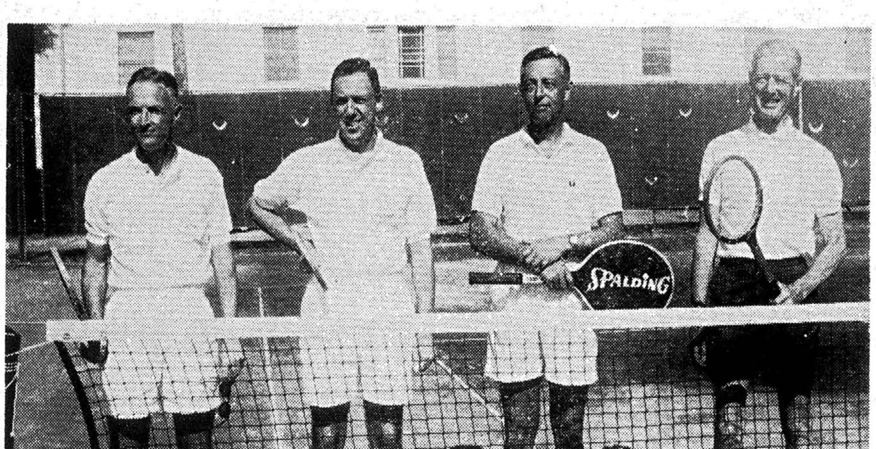
Charles McK. Lynch, *Moore, Leonard & Lynch,* Pittsburgh; Vincent P. Coakley, *Bear, Stearns & Co.,* New York; Thomas Lynch, III, *Moore, Leonard & Lynch,* Pittsburgh



Louis Gibbs, *Laird, Bissell & Meeds,* New York City; Mr. & Mrs. Houston Hill, Jr., *J. S. Strauss & Co.,* San Francisco

John D. B. Gould, *Philadelphia National Bank,* Philadelphia; William F. Mills, *Philadelphia National Bank,* Philadelphia; Mr. & Mrs. James R. Hendrix, *Hendrix & Mayes, Inc.* Birmingham, Ala.

Mrs. A. R. Hughes, New York; Michael Charters, *Association of Stock Exchange Firms,* New York; Mrs. Albert Purkiss; Mrs. Michael Charters; Albert Purkiss, *Walston & Co., Inc.,* New York



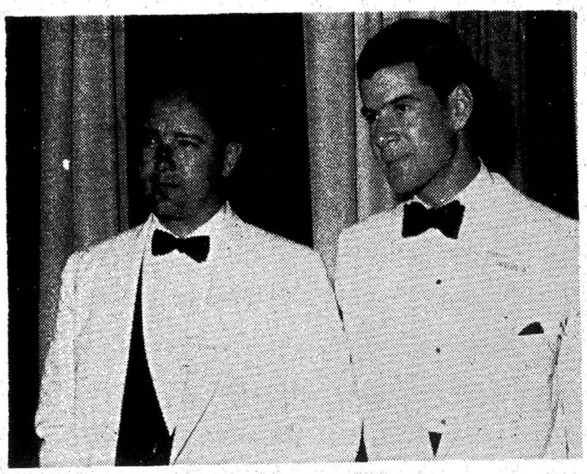
J. Dewey Daane, *Treasury Department,* Washington, D. C.; Robert M. Wahlforth, *Hemphill, Noyes & Co.,* New York; Garrett Taylor, *Wood Gundy & Co., Inc.,* New York; Earle Gatchell, *Hayden, Stone & Co.,* New York

Paul Wm. Cutler, *Chapman & Cutler,* Chicago; Harold J. Schluter, *First National Bank of Chicago,* New York; Mr. & Mrs. George Wendt, *First National Bank of Chicago;* William J. Corbett, Jr., *Burns, Corbett & Pickard,* Chicago

Jerome C. Hunsaker, Jr., *Colonial Distributors, Inc.*, Boston; Mr. & Mrs. Frederic C. Beil, Jr., *Beil & Hough, Inc.*, St. Petersburg, Fla.; Marshall H. Johnson, *McDaniel Lewis & Co.*, Greensboro, N. C.; James H. Orr, *Colonial Distributors, Inc.*, Boston; J. Wells Coggeshall, *Colonial Distributors, Inc.*, Boston

N. D. Young, *Dominion Securities Corpn. Ltd.*, Toronto; Mr. & Mrs. Eric Morse, *W. C. Pitfield & Co., Ltd.*, Monereal; George MacDonald, *McLeod, Young, Weir & Co.*, New York; Mrs. Ian Crookston, Toronto

Mr. & Mrs. Harold E. Waeckerle, *Lucas, Eisen & Waeckerle*, Kansas City, Mo.



Bradshaw Firstbrook, *Greenshields & Co (N. Y.) Inc.*, New York City; Cornelius Shields, Jr., *Shields & Company*, New York City

Mr. & Mrs. Aaron R. Eshman, *Stern, Frank, Meyer & Fox*, Los Angeles

Robert Seebeck, *Smith, Barney & Co.*, New York; Mr. & Mrs. Julian K. Roosevelt, *Dick & Merle-Smith*, New York; Allan Ryan, III, *Smith, Barney & Co.*, New York; John Gardner, *Reinholdt & Gardner*, St. Louis

S. Whitney Bradley, *Eaton & Howard*, Boston; Joseph E. Eaton, *Eaton & Howard*, New York; A. B. Morrison, *A. B. Morrison & Co.*, Miami, Fla.; John Pasco, *John Pasco Co.*, Miami; Charles F. Eaton, *Eaton & Howard*, Boston

Committee for Public Education on Municipal Securities, Breakfast Meeting—Eugene Becker, *Investment Bankers Association*, Director

Mr. & Mrs. James Heward, *Butcher & Sherrerd*, Philadelphia; Mrs. John M. Pokorny, Allentown, Pa.; Mrs. Russell Ergood, Philadelphia dustry and use the rental revenues received under the lease to service the bonds. The Chancellor held that the erection of the new plant at the terminal would *not* serve a public purpose. He recognized that the Delaware Supreme Court had created a rather broad area for public purpose in a prior case (In 105 A.2d 614 (1954) the court held that a public purpose was being served where the city constructed a parking garage, but leased 40% of the space to private businesses to gain revenue to service the bon.s issued to construct the garage), but he felt that the court in that case had excluded the erection and leasing of manufacturing plants from the area of valid public purpose since it had cited with approval *State* v. *Town of North Miami*, 59 So.2d 779 (Fla. 1952), which had held the erection of manufacturing plants to be beyond the town's powers. The Chancellor recognized a factual distinction in the *North Miami* case in that the plant proposed to be constructed in the *Wilmington* case would be on terminal land which would increase the use of the terminal, but he thought that benefit was overridden by what he conceived to be the primary purpose of the proposed project, which he said was to raise revenue to help finance more expansion. However, the proposed plan did not fail entirely. Immediately after the suit was brought, and before the hearing on the merits, an alternative lease was made with the private corporate tenant in which it was provided that if the court should hold the original agreement invalid the private corporation would construct the plant at its own expense and install pilings and a loading crane which would remain at the terminal at the end of the 40-year lease. The court held this alternative arrangement valid since it was "germane to the public uses for which the land was held."

IDAHO

The Supreme Court of Idaho in June, 1960 in the case of *Village of Moyie Springs* v. *Aurora Manufacturing Company*, declaring *unconstitutional* a 1959 Idaho Act authorizing municipal industrial revenue bonds, stated:

"The use of the name and credit of the municipality and tax exemption, to make the bonds salable, are the devices by which the legislature has sought to accomplish the purposes of the act. It is obvious that private enterprise, not so favored, could not compete with industries operating thereunder. If the state-favored industries were successfully managed, private enterprise would of necessity be forced out, and the state, through its municipalities, would increasingly become involved in promoting, sponsoring, regulating and controlling private business, and our free private enterprise economy would be replaced by socialism. The constitutions of both state and nation were founded upon a capitalistic private enterprise economy and were designed to protect and foster private property and private initiative. Socialism is as foreign to our constitutional, political and economic system as our private enterprise system is to the socialist system of Russia.

"Moreover, the tax exemption granted to industries under the act, would result in casting an additional tax burden upon the other citizens and industries, not only of the municipalities directly participating, but of the entire state.

"For all the reasons mentioned, we hold Chapter 265, Session Laws 1959, to be unconstitutional and void."

MASSACHUSETTS

The Massachusetts State Office Building Association proposed to issue revenue bonds and construct an office building with the proceeds of the bonds. The building was to be leased to the state for 23 years at a fixed annual rental, plus any amounts required to discharge claims against the lessor for which the state would be liable if it were the owner of the building. The bonds were to be serviced by the rents received under the lease. Title to the building was to pass to the state when the bonds were retired. In *Ayer* v. *Commissioner of Administration*, 165 N.E.2d 885 (1960) the court refused to find that the Association was a separate entity from the state, and held that the indebtedness of the Association must comply with state constitutional debt requirements. The court distinglished its prior approval of financing by state authorities, saying that those authorities existed for more than a single, temporary purpose, and that they provided services for those other than the sovereign itself. The court, citing Federal tax cases in support, said it believed in putting "substance before form," and found that the rental payments were in fact payments for the building, with title to the building to pass to the state at some indefinte future time. Lastly, the court stated that, despite a disclaimer in the bonds that the state was not obligated under the bonds, the state could be held liable on the bonds if such was the reasonable effect of the financing arrangement.

Under Minnesota Ex. Sess. L. 1959, C. 90, the legislature appropriated from the Minnesota State Building Fund an aggregate, including reappropriations, of \$52,994,612. This amount is for the construction, alteration, repair, and rehabilitation of various state hospitals and schools, state reformatories for men and women, state prison, the five state colleges, the University of Minnesota; and for the Capitol group of buildings, land acquisition, parks, and contingencies. The necessary funds would be provided by the issuance and sale of "state building certificates." Under the act taxes would be levied on all real and personal property in the state sufficient to produce \$52,022,280, to be spread on the tax rolls for the years 1959 to 1978 so as to produce \$2,601,000 in each of the years 1960 to 1979, plus additional amounts for interest on certificates issued pursuant to the act. Provision is also made that in case of a deficiency in such levy for any year the auditor shall levy sufficient additional amounts in succeeding years to compensate therefor.

MINNESOTA

In *Naftalin (Commissioner of Administration of Minnesota)* v. *King (State Auditor of Minnesota)*, the Supreme Court of Minnesota on April 1, 1960, expressly recognizing that it was basing its decision upon a previous case which was based upon fallacious reasoning, concluded that the certificates of indebtedness would not create indebtedness against the state in violation of a constitutional prohibition against state indebtedness.

The opinion of the court by two justices (1) recognized that the certificates would be irrevocable obligations of the state, pledging the credit of the state toward their repayment out of general ad valorem taxes against all the property of the state and that this logically would create a debt violating the Minnesota Constitution; but (2) held that under the doctrine of *stare decisis* they would follow an earlier decision by the court (admittedly based on erroneous theory) because of the reliance that had been placed upon that decision and because of the delay and confusion which could result by curtailment of the proposed building program provided for in the law; and (3 urged that "if this court is again presented with the issue in connection with future laws pledging the full faith and credit of the state as security such laws should be declared in violation of Minnesota Constitution." Two justices of the court dissented vigorously, concluding that if the certificates constitute evidence of state indebtedness in excess of the amount permitted under the Constitution, it is the duty of the court to hold the law unconstitutional. A fifth justice who took part in the hearing of the case died prior to the determination thereof and took no part in the decision.

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Report of IBA Aviation Securities Committee

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Among them were overscheduling and unduly high sales promotion and advertising expenditures. As a result, load factors declined and unit costs rose. Between 1955 and 1959 operating revenues increased $666 million, or 59%, while operating income fell $18 million, or by 15%.

Revenues are expected to continue to rise; the jets are extremely popular. But prospects for a rise in operating income, which is closely aligned to the load factor, are depressed by the arrival in quantity of the swift and capacious jets. By 1962 the industry's jet fleet alone will represent an investment and a passenger capacity approximately equal to that possessed by the entire industry in 1958. Further, the jet fleet will be concentrated on the high-density routes, the routes which, theoretically, should provide the lion's share of the profit to the trunklines but which, instead, because of excessive competition, are the routes on which a number of the lines are already experiencing most of their losses. Obviously, the industry has little chance of revitalizing itself unless the intensity of the competition which now prevails is first eased. Encouragingly, there is hope that the problem is now recognized and that remedial steps may be forthcoming. Over the past few months the CAB has given some indications that it will sympathetically consider both merger proposals and a realignment of routes among already existing lines.

(3) Rates

In recent years the trunkline industry has been unable to secure for itself either a profitable passenger rate structure or clear-cut positive standards under which it can intelligently petition for such a structure. This is not to mean however that no changes have occurred.

In May of this year the CAB announced that it would allow the domestic trunklines as a group a 10.5% rate of return on investment. A month later, on June 17, the Board implemented this earnings standard by approving fare increases of $1 per ticket plus a flat 2½%, effective July 1, 1960. Then, on Sept. 29, the CAB approved an increase in coach fares on long distance jet flights of five airlines. The increase ranges from 7.6% to 17.8% and is now in full effect.

These positive moves by the CAB on the rate problems which afflict the nation's trunklines must be considered salutary although it is doubtful that this will produce a 10.5% rate of return. Until the announcement last May, the CAB's General Passenger Fare Investigation had been stalled dead center for four years and had become an enervating influence throughout the industry. Now that inertia has been overcome the important thing is for the CAB to keep reviewing its rate standards so that should it become clear that the recent rate boost is inadequate it may move quickly to allow one sufficient unto the need. At the moment, this is a pertinent consideration because almost unanimous opinion within the trunkline industry holds that the recent increases are too small, in view of steeply rising operating costs and capital requirements.

Historically, airlines have been regulated much like public utilities. Rate decisions affecting the industry have been founded upon a fixed maximum allowable return based upon those portions of original, straight-line depreciated costs which the CAB chose to recognize. Taking into account the intense competition, volatile earnings, high capital turnover, rising reproduction costs and high obsolescence factors of the airlines as contrasted with public utilities, there can be small wonder that the trunkline industry's rate problems have been chronic and severe.

(4) Financial Aspects

In 1958 investors anticipated the imminent arrival of the jets exuberantly; from April 1958 to April 1959 Standard & Poor's Air Transport Index outperformed that service's general market index by 38%. By April 1959 the outlook of investors was shifting radically. It was becoming obvious that the very qualities of the jets most relished a year before, namely, their speed and capacity, were fated to compound instead of alleviate the financial problems of the trunklines. From April 1959 to November 1960 the Air Transport Index has dropped 39% while the over-all market was declining by 4%.

Although it was not the major factor in the decline of airline stocks, investor apprehension over the enormous sums the industry would need to raise to complete its transition to jet aircraft played a significant role in the market sell-off. In the single year 1959 the trunkline industry increased its debt by about 36%, to more than $800 million. Since 1959 this amount has been further increased. It is estimated that by mid-1961 aggregate interest cost will reach an annual level of $54.2 million, a figure almost eight times interest charges of $7.4 million in 1955.

In terms of the financial strength of the trunkline industry the net result of the interplay of rising debt and falling stock prices is that the shares of most airlines are now selling below their book values. This relationship precludes equity financing opportunities to such an extent that, for all practical purposes, the companies have no choice but to borrow to satisfy those capital requirements they cannot meet through internal cash generation. As may be seen in Table II the debt-equity ratios of the trunklines are top-heavy and, as a consequence, lenders of long-term capital are reluctant to make further loans.

TABLE II

Twelve Domestic Trunk Airlines*
Debt-Equity Ratios
(In Millions)

	Debt	Equity	Ratio: Debt to Equity
1959	$803	$744	1.1
1958	589	688	0.9
1957	484	638	0.8
1956	324	552	0.6
1955	199	503	0.4
1959 vs. 1955	+303%	+48%	--

SOURCE: CAB data.

(5) Report of the Secretary of Commerce

In March 1960, in a report entitled, Federal Transportation Policy and Program, sent by the Secretary of Commerce to the President, many excellent recommendations were made regarding the nation's airlines. Of particular note were those recommendations which called for a relaxation of domestic regulations with a corresponding return to the airlines themselves of prerogatives of scheduling and rate-setting (within maximum and minimum limits set by the CAB).

(6) Labor

It may be fairly said that over recent years, at any given time, at least one of the nation's trunklines has either been beset by a strike or engaged in turbulent negotiations meant to forestall one that appeared imminent. Usually the issue in contention is a demand by the union involved for more money for its members. While the desire to improve one's lot by a raise in pay is a cherished sentiment, there is considerable evidence to support the view that a secure job with good pay in a sound enterprise may be more in an employee's long term interest than an insecure job with somewhat higher pay in a company on the verge of bankruptcy.

Airline personnel are well paid. In 1958 (latest year for which figures are available) full time employees in the Air Transportation industry received average annual earnings of $6,104. These earnings were 10% higher than the average of $5,488 for such employees in the category, all Transportation and 41% more than the average earnings of $4,344 of full time employees in the category, all Industry (Source: *Aerospace Facts and Figures, 1960*).

The most dramatic wage rise within the trunkline industry has been that of the pilots. Pilots wages on one representative carrier have increased 97% since 1951, from an average of $8,332 to $16,382. The real magnitude of this increase may be fully appreciated only when it is realized that the average pilot worked about one-fourth fewer hours in 1959 to earn almost twice as much money as he did in 1951. Further, under present union work rules it is possible for a senior pilot to earn $30,000 a year while working but 12 days a month.

(7) Suggestions

In a constructive spirit and with a deep desire to help strengthen the air transportation system of the nation the Aviation Securities Committee would like to make the following suggestions:

(A) That the President of the United States appoint at once an individual of the highest qualifications to undertake a complete review of the Federal Aviation Act and CAB procedures under the Act with the aim of presenting to the President and the Congress a concrete program for constructive action. Through the pending review of the Federal Aviation Act by the Subcommittee on Transportation and Aeronautics the Congress has a splendid opportunity to gain understanding of the problems and thus become prepared to react wisely and swiftly to a program of constructive action submitted to it.

(B) That the CAB review its entire policy of competitive route awards in the light of circumstances as they have actually developed. No matter how sound the policy may appear in theory to those who espoused it, the application of it has shown that it does not work very well.

(C) That the CAB study present methods of determining what constitutes a reasonable rate of return on investment for a trunk airline. From such a study may come a new and refreshing approach to the subject, one which would countenance the inherent operating peculiarities and economic requirements of airlines.

(D) That the CAB keep itself closely informed at all times as to the rate needs of the airlines. To repeat the circumstances surrounding the recent rate increase would be tragic. It was clear in 1956 that the trunklines needed a rate increase. Yet, except for palliative relief, in the form of small, temporary rate increases, the CAB did not grant a firm rate increase until June 1960. If a serious need for a further rate increase should develop, the CAB must be prepared to act much faster than last time, or many of the airlines, in their weakened financial condition, may face bankruptcy.

(E) That the heads of those labor unions having jurisdiction in the airline industry and the union members themselves adopt a more statesmanlike attitude in their demands. At the moment airlines are not making much money and are heavily in debt. They are not therefore ideal companies from which to squeeze the last possible penny in wage negotiations. Given support on all fronts, political, economic and labor the airlines will grow and prosper thus creating more and better jobs for all who work with them. The other great component of the situation, the public, is not a cause for concern; more people are flying today than ever before.

III
U. S. International Airlines

(1) General

All over the world international air travel is expanding dramatically. So is the competition among airlines for the business. For example, sixteen airlines, only two of which are U. S. Carriers, now run scheduled passenger flights over the thick traffic North Atlantic route. Soon, another airline, Russia's giant Aeroflot, will further intensify the competition, as will also the scores of additional jet aircraft which will come into international service during 1960. One large turbo-jet airplane has the same annual trans-Atlantic passenger capacity as a large ocean liner.

On the surface of it, 1959 was a relatively good year for U. S. flag-carriers and indications are that 1960 will equal and perhaps surpass 1959. (Table III.)

Since 1955 the earning power of our international carriers has not increased although their traffic has grown by more than 50%. The underlying financial position of the carrier is much less secure than it was and the airlines have lost healthy quality of fiscal resilience. Our international carriers are extremely vulnerable to any adverse change in the status quo. Never before in their history has it been more necessary for all parties concerned in their welfare to study and stay on top of international trends in transportation. In this era of sudden and violent change, the U. S. international carriers could, within a brief period, suffer reversals which would cause them to need immediate governmental assistance.

(2) Competition

At the root of the earning power problem which plagues our international airlines is, of course, the dismaying number of competitors. But numbers of combatants is not, in itself, the actual core of the problem, for the potential traffic volume involved is huge. For instance, even though the U. S. share of the North Atlantic passenger market has sagged from 61% in 1950 to 30% in 1959, revenues have roughly doubled over that period and passenger miles flown have risen more than two-fold. Airlines that are run efficiently and imaginatively, as are our international lines, should, *all things relatively equal*, experience no more than normal competitive rigors in getting and keeping a satisfactory share of the market. The real heart of the problem is that from the standpoint of our international carriers the competition for business starts on an unequal basis, and the imbalance is growing.

To understand why U. S. flag-carriers are now harassed by problems more complex than those which burden the nation's domestic trunklines it is first necessary to appreciate the different nature of competition on the international scene.

In domestic competition the primary considerations are economic and the battleground lies wholly within the homogeneous commercial system of the nation. Rules fair to all may be collectively shaped and enforced and from time to time alterations may be made in them which will, in theory, keep the industry strong.

No such theoretical paradise exists in international commerce. Central authority is absent. Moreover, to foreign carriers owned or controlled by their governments, and in this category are most foreign airlines, economic considerations relative to the airline as a separate financial enterprise are of little importance. Instead, the motivating factors are diplomatic prestige, national pride and strategic position. In sum, most foreign airlines need not concern themselves with earning a profit.

TABLE III

U. S. International Airlines*

(In Millions)

	Total Operating Revenues	Net Operating Income	Net Income	Revenue Passenger Miles	Load Factor
First Half—					
1960	$304	$15	$6	3,757	64%
1959	261	1	4	3,117	64
Year—					
1959	565	18	13	6,894	66
1958	506	10	7	5,974	59
1955	384	19	13	4,410	63
First Half 1960 vs. 1959	+16%	+1400%	+50%	+20%	0
Year 1959 vs. 1958	+11	+ 80	+86	+15	+12
Year 1959 vs. 1955	+47	— 5	0	+56	+ 5

*Based on CAB data.

(3) MATS

The Government operates the nation's largest airline, the Military Air Transport Service (MATS). This airline supposedly is in existence to facilitate strategic transport, the moving of troops, equipment and supplies to any troubled area of the earth as speedily as possible. Irrespective of its basic mission, however, MATS does not confine its activities to those of a combat airlift force, but runs a sprawling commercial airline type of operation as well.

Congress appears fearful that MATS is spread too thin in its operations and cannot concentrate on its true military propose. Senator A. S. "Mike" Monroney has advanced various plans designed to get MATS out of competition with civil airlines by transferring its commercial-type functions to the commercial lines. This is an encouraging development and one which has the wholehearted support of the industry and the CAB.

Earlier this year a special study group appointed by the Air Force submitted its report to Air Force Secretary Dudley Sharp in which it recommended that MATS passenger traffic should be diverted gradually to private carriers at regular commercial rates. The advisory panel (The Reed Committee) also recommended that cargo traffic be switched to private carriers, but at a slower rate, because of the current relative scarcity of commercial cargo capacity. Secretary Sharp, in releasing the group's report, gave no promise that the Pentagon would definitely carry out its recommendations, but he did state that he would give careful consideration to it in working out future military transport policy.

(4) IATA—Fare Levels

The recent disputes within the International Air Transport Association (IATA) over what level of fares should be adopted to expand the Pacific market has been resolved to a large extent in an orderly manner. Nevertheless, it should be watched closely by all, because the issue involved is an explosive one. If an impasse incapable of resolution ever develops within IATA over fare levels it will lead inevitably to an "open-rate" situation which would be disastrous to the financial stability of the U. S. Carriers unless our Government intervened. Worse still, should IATA become incapable of preventing an open-rate dogfight it almost surely would, in the bargain, become powerless to restrain certain foreign airlines from forming into cartels.

At the moment such a nightmare situation does not appear likely to occur, but the forces which could bring it about are already in being and they are, as it were, pressing against the gates. Elementary prudence dictates that a general policy of constructive action be formulated and kept in readiness should the gates be breached.

(5) Report of the Secretary of Commerce

In the report mentioned earlier entitled, Federal Transportation Policy and Program, there are the following statements about U. S. International air transportation:

"International problems of transportation must be treated quite separately from domestic."

"International airline trends should be carefully studied. The Government should press consultations with foreign countries whose airlinese appear to be violating agreed principles on capacity flown."

"Trends should be watched, of the cost of U. S. as compared to

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foreign flag carriers, so that, well in advance of need to protect U. S. carriers by subsidies or minimum rates the Government can decide when and if such rate power should be granted."

(6) Suggestions of the Aviation Securities Committee

In the interests of preserving the high quality of service and free enterprise status of the nation's excellent international air transportation system, the Committee wishes to place before the proper parties these suggestions:

(A) That the Administration grant route awards to foreign carriers to service the United States only after searching analysis of all the factors involved has shown how commensurate awards can be made to U. S. international airlines. The U. S. International carriers have an imperative need for their Government's full understanding and support. For them to receive less would amount to the cruelest kind of discrimination. It is, of course, wise for the Government to use its valuable power to make route awards to foreign carriers in the interests of international goodwill. But, pursuit of the will-o-the-wisp of international comity should not result in injury to U. S. carriers. A wise parent does not seek friends or advantages at the expense of his own children.

(B) That the Government and the airlines, international and domestic, further explore the possibilities of diverting traffic from MATS to commercial carriers. This is important to solution of the over-all problem: Of the total passenger flights across the Atlantic in 1959, which ended or began in the U. S., it is estimated that foreign airlines carried 45%, U. S. commercial airlines carried 30% and MATS carried 25%. The squeeze thus put on our commercial carriers, coming as it does from without and within, is terrific.

(C) That the orderly development of the air cargo industry be enhanced by adjustment of the present rate structure in order to provide incentives on the part of carriers to invest in new and improved equipment.

(D) That the Government and the Agencies concerned intensify their studies of the matter of supersonic air transport. While such craft may be a long way off in this country but not necessarily behind the Iron Curtain, financing problems relative to them already are being explored within the industry. From the vantage point of the present, it seems reasonable to anticipate that the Federal Government will have to become active in the project if U. S. carriers are not to be left behind by foreign competition.

(E) That attention be given to the advantages and disadvantages of the return to a policy favoring a philosophy of area competition rather than duplicate, point-to-point competition among U. S. flag carriers. If our international airlines are to meet their foreign competition successfully, it may be that they should complement each other's services more rather than draining themselves in internecine conflict.

VI

The Aerospace Industry

B-52 bombers kept on continuous alert probably will remain the central force in American strategic power over the next few years, but missiles as they become operational, will take on increasing importance.

In shifting its massive facilities largely away from the manufacture of airframes toward the development and manufacture of missiles and space vehicles the aircraft industry, now more properly termed the Aerospace Industry, has accomplished perhaps the largest manufacturing transition ever made in peacetime in a brief span of time by any industry. As might be expected, the impact on the industry was and is profound and painful. Due to the long lead time in major procurement, the full effect of the change is yet to be experienced.

Until about three years ago it was thought that the transition from manned-aircraft to missiles would be somewhat gradual and that the big airframe builders would thereby have enough time to adapt themselves to the new technology. Sputnik changed the signals. Soon after its beep was heard round the world the United States embarked on a gigantic program designed to produce maximum ICBM and IRBM capability as soon as possible.

Budget considerations made it impossible to sustain a high level of aircraft procurement along with an accelerated missile program. Aircraft cutbacks were deep and wide. Also, in the new field of missiles the airframe was a relatively small part of the system and many critical parts of the missiles required electronic know-how not widely possessed by the aircraft industry. As a result, many companies not previously engaged in defense entered the field, dramatically altering the competitive nature of its defense business.

TABLE IV

The Twelve Major Airframe Companies*

	1959	1958	1955	1959 vs. 1958	1959 vs. 1955
Sales (millions)	$7,049	$7,079	$5,188	— 0.4%	+35.9%
Net Income (millions)†‡	67	138	179	—51.4	—62.6
Net Profit Margin (%)‡	‡0.9	1.9	3.5	--	--
Production Workers (thous.)§	451	479	507	— 5.9	—11.0
Backlog of Orders (millions)§	12,140	13,062	15,702	— 7.1	—22.7

NOTES—

* SOURCE: Aerospace Industries Association.

† Subject to renegotiation.

‡ Including one large company with a substantial loss in 1959. Exclusive of that company, the eleven remaining companies had, in aggregate, net income of $100.5 million and a net profit margin of 1.6% in 1959.

§ These categories are for the entire aircraft industry and not just for the twelve companies.

Moving fast in an attempt to maintain its position in missile-space age, the industry invested to an unprecedented extent in facilities, research and engineering. Today, there are companies within the industry with broad missile-space capabilities. Despite their broad-featured capacity, however, the very nature of the change in weapons system requirements subjects their organizations to quick and violent stresses which did not exist in the old airframe days.

Advanced weapons systems cost astronomical sums of money and their numbers are understandably few. Further, unit volume of production for such a system is small and contracts are awarded, in the main, on a low margin cost-plus-fixed-fee basis. In earlier years, when the rate of technological advancement was slower, low profits on reasearch and development were generally off-set by normal profits on subsequent mass production. Today in the aerospace age, technology is advancing with such speed that whole systems often become obsolete, and are thus cancelled, before they can move from the developmental stage to one of production.

Although it is patent that sudden loss of a weapon system contract deals a body blow to even the largest prime contractors, it is not so obvious that the hundreds of small suppliers who were depending on furnishing components to the system are dealt what amounts to a one-two punch. When a big aerospace manufacturer finds itself abruptly scrambling for enough work to keep its organization intact it is not surprising that it keeps or pulls back under its own roof as much business as it can which ordinarily would have been assigned to a subcontractor.

Because defense systems are so expensive a constant reevaluation of priority of programs goes on and the money to produce one system usually is obtained through cancellation of another. For this reason, the number of weapons systems in production is far less than the industry's capacity to produce them.

Overcapacity in the aircraft industry is not restricted to its military business. Because the new commercial jets can carry many more passengers they are not needed in as great numbers as were piston aircraft. Yet, because of their great complexity it cost more to develop these fewer number of jets than to develop any other commercial plane. Up to now, no aircraft manufacturer has made a profit from the production of commercial jet aircraft. This fact has been underscored recently by losses in this area totalling more than $100 million which commercial jet manufacturers have announced they will write off in 1960.

The extent to which the factors mentioned have damaged the earning power of the Aerospace Industry may be seen in Table IV.

The situation is growing worse. Although attempts within the industry to diversify show some promise of alleviating pressures it is highly improbable that they will enable the industry to maintain its production capacity. The question is one of survival.

Suggestions of the Aviation Securities Committee

Our Aerospace Industry is so large and complex that practical implementation of any measures broadly proposed is an especially complicated process. Recognizing this, the Committee would like to make the following general suggestions:

(1) That a long-range view be taken as regards budgeting for space exploration activities with appropriate emphasis on practical defense application. It is difficult to know what might have important military use a few years hence. In the early post-war period, a ballistic missile development program was turned down because at that time it appeared that the necessary size of a nuclear warhead made such missiles impractical.

Space activities also have far-reaching non-military consequences. Russia, making no particular distinction between military, political, and scientific strategy, stole a jump in world prestige with its space activities. In the decade ahead mankind's attention will increasingly be drawn toward space. It is of profound importance to us that visible there will be evidence of our scientific and intellectual vitality.

(2) That the entire matter of supersonic transports and cargo aircraft be given a thorough analysis. Although the strategy of massive retaliation prevails at the moment, the needs of the services to wage an effective limited war cannot be discounted. The ability of the military to move men and materials long distances in the shortest time possible may be the determining element in the prevention or resolution of a small-scale conflict.

(3) That the advantage of contracts having greater incentive values than cost-plus-fixed-fee contracts be given every consideration. The era of high volume production is over. Bidding on a fixed price basis for a vast weapons system of an advanced nature when only a limited number of them will be produced is full of serious financial risks that have no off-setting quality of potential reward. Too, present policies requiring companies to supply more facilities, working capital and research out of company funds serves to dampen incentive even further. It seems only logical and fair that research contracts provide a reasonable profit.

(4) That the responsible departments of government take a look at the recent developments in the British airframe industry. Some time ago the British Government took cognizance of the deteriorating position of its airframe industry and asked industry leaders to make a study of the situation designed to produce a report containing constructive practical recommendations as to how the industry should be consolidated. This was done. The report stated, in sum, that most of the problems stemmed from one source: too many companies competing violently for too little business.

The industry report recommended, in essence, that the British airframe industry could maintain itself as a strong privately-run, publicly-owned industry through a series of mergers which would result in their surviving, finally, as two very large competing companies. This recommendation was put into effect.

On this point the Aviation Securities Committee wishes to emphasize that it is not implying, directly or indirectly, that it believes a large-scale fusing of industrial power would benefit our own Aerospace Industry. On the other hand, the Committee is of the opinion that all concerned should not let go unstudied such an opportunity to observe and ponder how one attempted solution, albeit a drastic one and one which would require difficult legislation in this country, works out in a nation that has an airframe industry beset by many sore problems common to ours.

(5) That a revision of the patent provisions of the Space Act be given every consideration. Presently the Department of Defense and NASA have different policies regarding patents. On a defense contract, the manufacturer is permitted to keep the patent rights to the product for possible application to the non-military market. Under a NASA contract he does not get patent rights. In both cases, the contractor who develops a product under government contract agrees to make available at no additional cost to the government all data evolving from the research and development of the product. This is an important distinction not only to the contractors but also to the national economy.

Many space research programs generate commercial applications, but the contractor must spend his own money to develop them. If he has no patent protection, he has little or no desire to explore civil applications. Deprivation of patent rights is contrary to the objectives of all patent laws and refinements since the first patent legislation, in 1790, namely, to provide incentive to ingenious individuals or corporations to develop new products and improve existing ones. Modification of the Space Act to permit a contractor to retain patent rights to the non-military market would provide him with the incentive to market new products and revise existing ones.

(6) That depreciation laws and regulations be so revised as to permit American industry to write off the cost of facilities more effectively. Just one of many benefits of such revisions would be that it would improve our industry's competitive position against foreign manufacturers whose depreciation rates are substantially more rapid than ours. This factor is of special importance to the Aerospace Industry whose products, and consequently the facilities to produce those products, have such a fast rate of obsolescence.

Respectfully submitted,
AVIATION SECURITIES COMMITTEE

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The Chase Manhattan Bank
New York, N. Y.

Joins Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Gorham B. Knowles has become connected with Harris, Upham & Co., 232 Montgomery St. He was formerly with Schwabacher & Co.

Three With Copley

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Cleo P. Hartman, Eugene E. Petersen and Dale E. Schuttler have become connected with Copley & Co., 1600 Ogden.

Two With L. A. Huey

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Stanley T. Morton and Paul A. Schaefer have been added to the staff of L. A. Huey Co., First National Bank Building.

With McCarley Co.

(Special to THE FINANCIAL CHRONICLE)

ASHEVILLE, N. C. — Harold J. Bourgeois Jr. has become affiliated with McCarley & Co., Inc., 35 Page Ave., members of the New York Stock Exchange.

Henry, Franc Branch

BELLEVILLE, Ill.—Henry, Franc & Co. have opened a branch office in the Commercial Building under the direction of Elmer L. McCarron.

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provides authority for the development of a comprehensive transportation program for the Washington, D. C. metropolitan area. Such a program would be based on the recommendations of the Washington Mass-Transportation Survey report which proposed construction of a network of freeways, on which a system of limited-stop express buses would operate, and rail transit service operation on subways, median strips of freeways or rights-of-way.

The legislation provides that the major construction can be carried out by an interstate proprietary agency created by interstate compact. Since there are many Constitutional and legal problems involved in creating such a proprietary agency, however, the legislation permits other alternatives. For example, the National Capital Transportation Agency can be used to serve on an interim basis until such date as a proprietary agency receives final approval. The Transportation Agency is also permitted to consider organizational alternatives to the proprietary agency, including a Federal corporation or a continuation or modification of the Transportation Agency itself.

Any programs of the interim National Capital Transportation Agency must be submitted to the Governors of Maryland and Virginia for approval of facilities which will be developed in each state. The programs must also be submitted for review and comment to the local governing bodies, transit regulatory agencies, organizations of government officials, and agencies concerned with the solutions to area-wide problems, the Federal Commission on Fine Arts, and private transportation companies.

It is interesting to note that Congress has enacted, and the President has signed, Public Law 86527, the Washington Metropolitan Region Development Act. The legislation has no substantive provisions but is limited to an expression of policy. This policy approves of the principle of unified metropolitan action to solve metropolitan area problems. One section of the law, for example, declares as public policy that "priority . . . be given to the solution, on a united metropolitan basis, of the problems of water supply, sewage disposal, and water pollution and transportation."

California

Golden Gate Authority Commission. The commission was established by the 1959 State Legislature to "study and investigate port, harbor, airport, bridge, and other metropolitan transportation facilities . . . and the advisability of operating any or all such facilities under a single agency."

From February to August, 1960, the Commission held hearings in major cities around San Francisco Bay and its tributaries, investigating such aspects as: (1) public recognition of the need for coordinated management of transportation facilities to serve the Bay Area's mushrooming metropolitan communities; (2) the feasibility of centralizing the management of these facilities under an Authority; (3) the desirability of including other types of regional transportation facilities within the scope of an Authority; (4) the basis on which an Authority's governing board should be constituted, and the method of appoint-

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ing board members; and (5) relationships between an Authority and other governmental jurisdictions in the Bay Area.

The Commission is expected to present its conclusions and recommendations in a report to the 1961 session of the Legislature.

San Francisco Bay Area Rapid Transit District was created by the State Legislature to "plan, build and operate a system of regional rail rapid transit." The status of the program: Engineering studies have been completed for a transportation system which embodies about 100 miles of grade-separated rail transit lines connecting the population centers of the five counties comprising the District. The key link in the entire system is the trans-Bay rapid tube connecting downtown San Francisco and downtown Oakland. The cost of the system would be about $926 million.

This plan is presently before the county board of supervisors city councils and other governmental agencies within the District for further changes and recommendations before the plan is approved finally by the District's board of directors. Following approval, the District will then outline a method of financing, presently contemplated as a general obligation bond issue secured out of property taxation.

Alameda - Contra Transit District. On Oct. 23, operations of the transit system in the East Bay were administered for the first time by the Alameda-Contra Transit District (AC Transit) instead of by a private company. The take-over cleared the way for a $16,500,000 improvement program that ranges from an immediate drop in fares for children to establishment of new service and acquisition of 250 new city and suburban "Transit Liners."

Los Angeles Metropolitan Transit Authority. A rapid transit system "truly unique in its ability to provide a fast, comfortable, quiet and convenient ride" was recommended to the Los Angeles Metropolitan Transit Authority June 27. The report states: that the most economical system would utilize 54-seat air conditioned, lightweight cars, electrically propelled on pneumatic rubber tires on concrete tracks; that the initial system would total 74.9 miles and consist of four lines extending out from the Los Angeles Business District; that the cost of this system would be $529,700,000.

Seattle Metropolitan Area

Seattle has had considerable success in developing area-wide solutions to metropolitan problems. The Metropolitan Municipal Corporation for Seattle was established by Seattle area voters in 1958 to perform the single function of sewage and drainage operations. This single function is permitted under state legislation which allows formation of area-wide single or multiple purpose special districts.

This year a report on Metro has been issued which shows that the sewage and drainage project is on schedule.

Since July, 1959, a 33-member engineering staff has engaged in surveying, soil investigation, and design. Construction is to begin in 1961. A comprehensive plan has been prepared for the Metro service area; a headquarters for the project has been established; engineering, financial and bond consultants have been obtained.

In 1960, it is expected that Metro will: complete its report on financial feasibility, set rate changes through action of its Council, negotiate on service arrangements with cities and sewer districts, prepare a prospectus looking to the sale of revenue bonds, acquire plant sites and trunkline rights of way, work on final design of the treatment plants, and complete plans for the Bryn Mawr - Renton interceptor system and the Lake City tunnel, scheduled to be Metro's first construction project.

Grand Rapids

An annexation plan for citizens of the Grand Rapids area was defeated Dec. 8, 1959. The proposed large-scale annexation of suburban territory to Grand Rapids received city residents' approval, but was defeated by varying margins in a tough campaign in the suburbs.

The plan was originally developed by the New City Study Committee which had been appointed by the Grand Rapids City Commission. The total area in question would have increased the city population by about 40% and its land area more than 3 times.

One difficulty encountered in the proposed plan was that residents opposed piecemeal annexation, particularly if it resulted in carving up township areas. Yet a statutory requirement that school district and city boundaries must be co-terminus in cities of the second class, such as Grand Rapids, makes annexation by township boundaries impossible in some cases. The New City Study Committee also opposed piecemeal annexation but because of this statutory requirement, it recommended annexation along school district lines as a compromise solution. This would have resulted in portions of three townships and two entire suburban cities being included in the annexation proposal.

Virginia

Henrico County - Richmond. Plans are under way for a proposal of merger between Henrico County and Richmond. The merger would create a larger city in area, called Richmond. There is historical precedent for this kind of merger in the state of Virginia: Hampton and Elizabeth City County have merged into a new city called Hampton. Newport News and Warwick County have merged into a new city Newport News. According to all reports, these consolidations have worked out well.

Presently, a merger committee is studying means of consolidating Henrico County and Richmond, patterned after the earlier successful mergers of the other cities. The merger committee is made up of six men, a three-man negotiating team from Richmond and a three-man negotiating team from Henrico County. It is hoped that if agreement can be reached by the committee, merger recommendations can be made on or about Dec. 1 to the City Council of Richmond and the Board of Supervisors of Henrico County. To effect the merger, it would be necessary to get approval from both of these bodies and then approval through public referendum (a majority of qualified voters from each political subdivision is necessary). A new charter for the enlarged city would then be enacted by the General Assembly in Jan., 1962.

The Tax Study Commission is trying to establish a workable tax pattern for Richmond for the next decade. Significantly, the Commission must face the problem with an awareness of the alternate forms the city of Richmond might take in the years to come. The tax pattern for the city, if it does not merge with the county, will be quite different from the pattern for a new consolidation. If such consolidation occurs, in terms of area, Richmond would become the fifth largest city in the country. Mr. Walter Craigie of F. W. Craigie & Co., Richmond, is a member of both the six-man merger committee and the Tax Study Commission.

Fairfax County. The Virginia Advisory Legislative Council and the Commission on Urban County Government have recommended for passage an urban county plan for Fairfax County and other urban counties of the state.

The urban county plan has as a major goal the prevention of too numerous incorporations within a county territory. The plan's central feature is a system of districts which, on one hand, serve as electoral districts and, on the other, as sub units of the county government for service purposes. A district could require the county to provide it with any service not provided on a county-wide basis. Such requests could only be overridden by a three-fourths vote of the County Board of Supervisors.

The Advisory Legislative Council recommended also passage of a constitutional amendment giving the General Assembly authority to permit any local government unit to create a tax differential system, through classification of property for tax purposes.

A district system such as this proposed would not diminish the powers or responsibilities of the county government, nor would the functions of the district councils interfere with the present county-wide planning activities.

The Fairfax County Board of Supervisors, by a 6-1 vote, recommended that the legislative delegation from Fairfax press for adoption of the urban county plan. The Board also urged that the delegation work to enact a stand-by municipal charter, drafted by the Commission on Urban County Government, to give the County's voters alternative courses of action to prevent governmental fragmenting of the County.

Baltimore

This year Baltimore is approaching her metropolitan area problems on two fronts: draft legislation for a mass transportation system and a metropolitan study group to investigate problems caused in the Baltimore metropolitan area by recent and anticipated population increases and economic growth.

The Baltimore City and Anne Arundel County delegates want to propose a metropolitan transit authority bill to the next session of the Legislature which will be acceptable to both groups of delegates. The proposed legislation contemplates the establishment of an authority which would develop and up-date plans for an area-wide coordinated transit system. The legislation would give to the authority certain regulatory powers now vested in the Maryland Public Service Commission. These include the power to grant licenses and permits for the operation, ownership and control of mass-transportation systems in the area; authority to amend and determine the fares and other charges of a mass-transit system operation; and establishment, regulation, and supervision of routings, schedules, and safety and service standards.

After two years of operation, such an authority might begin to acquire and operate any existing public transportation system. These activities could be financed through the sale of revenue bonds secured by the authority's transit fares or by the credit of the authority-owned property.

In March, 1960, the Greater Baltimore Committee created a Metropolitan Area Subcommittee to study the wider range of problems caused by Baltimore's recent increase in population and economic growth.

This Subcommittee will determine areas of conflicting interest as well as mutual concerns. It can make recommendations with

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respect to urban growth problems. Some of the duties of the Subcommittee are: to become a channel of communication in matters of metropolitan interest among the civic leaders in the five counties, the City of Baltimore, and the Greater Baltimore Committee; to identify governmental functions and services which are common to the area, which are being performed on a local basis but which may be performed more economically on a unified basis; to recommend the type of governmental machinery which could perform area-wide functions efficiently; to review the potential impact of Maryland State agency programs on metropolitan development.

Dade County, Florida

In 1957, Dade County was authorized a home rule charter, under which the county is authorized to perform many area-wide functions for the Miami-Dade County metropolitan area. Since then, the Dade County government has been under fire from time to time from those who see the county infringing upon the powers of the municipalities contained therein. Yet, the Dade County Metropolitan Government has gone ahead with various activities in 1960: The County Commission has established a Metro Transportation Advisory Committee to recommend ordinances necessary to acquire, operate, and finance a unified mass transportation system in the County. Last July, the Metro government assumed responsibility for all traffic engineering functions in Dade County. Some of the planning projects slated for completion this Fall: an economic base study; preliminary land use and major thoroughfare plans; a central business district study; a minimum housing code; preliminary work toward the county's first urban renewal project; and the determination of a rational pattern of municipal boundaries and service areas. An urban renewal ordinance was adopted by the County Commission in February, 1960.

New York City

The New York Metropolitan Regional Council has drafted legislation for submission to the legislatures of New York, New Jersey and Connecticut. This legislation would empower the Council to study and report on problems concerning the people and governments of the metropolitan region, including but not limited to traffic and transportation, recreation, land use and open space, air and water pollution, water supply and disposal, regional planning, and housing redevelopment. The Council could also advance the establishment of intergovernmental cooperative arrangements in the region, advise local governments on local problems which have regional implications, and make recommendations to the state governors and legislatures, the officials of local governments in the region, and Congress and Federal agencies.

Metropolitan Area Surveys and Studies

As metropolitan area problems throughout the nation have become more acute, states and local governments are authorizing more and more surveys and studies in the field. Fresno, California, for example, has issued a report, the Fresno Metropolitan Study, which embodies both immediate and long-range solutions to the problems of urban growth, favoring annexation of urban territory to the city as the only long-term solution to the area's problem. The Michigan Governor's Study Commission on metropolitan problems has received a report from its Committee on the Nature of Metropolitan Problems. The report seeks to investigate all phases of metropolitan area problems, providing basic information on the needs of the metropolitan community in Michigan. There are many other examples of metropolitan area studies. A summary and digest of current studies is found in "Metropolitan Surveys Now in Progress." In addition, the Committee for Economic Development issued in August, 1960 a booklet entitled "Guiding Metropolitan Growth." This is a statement on National Policy by the Research and Policy Committee of the CED. It contains a very complete general summary of metropolitan area problems and suggests general guides for further approaches to these problems.

We continue to urge investment bankers to take an active part in studies of metropolitan area problems in their respective areas throughout the country so that the conclusions and recommendations in those studies will have the benefit of sound and practical financial advice.

Respectfully submitted,

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committee of seven members with duties substantially identical to those indicated above for the Washington advisory committee. The New Jersey Securities Act (effective Jan. 1, 1961) provides for appointment of a security advisory committee of six members to "serve in an advisory capacity to the Bureau Chief on all matters pertaining to this law." We believe that such advisory committees can do much to assist administrators in effecting sound regulation.

II
Options and Warrants

In the last Annual Report of the Committee we summarized recent developments regarding the statement of policy adopted by the North American Securities Administrators in 1946 on options and warrants. That statement of policy created a general assumption that options or warrants would be looked upon with great disfavor in connection with the application for registration of securities, and the statement of policy was followed in a number of states. Under that policy a few administrators refused to register any issues involving options and warrants and in a few states contended that where their laws provided percentage limitations on the amount of underwriting commission it would be impossible to determine whether the percentage limitation was met until the options or warrants were sold and the profit to the underwriter was determined.

At the annual meeting of the North American Securities Administrators in September, 1959, a report was adopted concluding that, as guides in determining whether the issuance of stock options is justifiable under the statement of policy, the statement of policy should be given a **liberal interpretation** as to options or warrants issued to underwriters in connection with a public offering if specified conditions are met. The report also recommended that in those states where it is necessary to include the value of the options in the computation of commissions, the market value of such options, if any, be used and that in those states where no market value exists an arbitrary value of 20% of the original exercise price of options be used unless evidence indicates that a contrary valuation exists. The conclusions in the report adopted by the N.A.S.A in September, 1959, were set forth in Appendix B of the last Annual Report of this Committee.

In February of this year the Secretary of State of Illinois announced a revision of that state's policy with respect to options and warrants, as follows:

"Illinois has followed a policy of viewing the issuance of op-

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tions, warrants and similar rights, to persons other than the purchasers of securities in connection with an application for registration under the Illinois Securities Law, 'with great disfavor' since such a policy was adopted by a group of Midwestern securities administrators in 1945.

"This policy has been rigidly followed under the Illinois Securities Law of 1953 and as a result offerings of securities which involved the issuance of options to underwriters to purchase stock have been deemed inequitable and not eligible for registration in Illinois.

"The new policy, which is contained in a new Rule 150 (a) (1) of the General Rules and Regulations under the Illinois Securities Law, is the result of extensive study by the Securities Division and permits the granting of options and warrants to a limited extent in cases that are justified by the applicant desiring to register securities with the Secretary of State. This new policy is in substantial compliance with the position taken on the problem by the Midwestern Securities Commissioners Association.

"One of the purposes behind the new policy is to assist relatively small companies in the promotional stage to raise capital where it appears from all the facts and circumstances that the issuance of options is necessary to obtain competent investment banking services. Options in other cases will still be viewed with 'great disfavor.'"

The text of Illinois Rule 150 as amended at the time of the change of policy announced above is included in Appendix B of this report. The important section is (a) (1) (iii) regarding options to underwriters.

We commend the Securities Commissioners for the constructive approach that they have taken in reviewing and modifying the old statement of policy, and we express particular appreciation to the administrative authorities in Illinois for their work on this problem.

III

Uniform Commercial Code

The Uniform Commercial Code, approved by the National Conference of Commissioners on Uniform State Laws and by the American Bar Association, has been adopted (with changes in some states) in six states: Connecticut, Kentucky, Massachusetts, New Hampshire, Pennsylvania and Rhode Island.

It is reported that bills embodying the Code will be introduced in 1961 in the legislatures of the following 15 additional states:

California; Florida; Illinois; Maine; Michigan; Missouri; Montana; New Mexico; North Dakota; Ohio; Oklahoma; Oregon; Washington; Wisconsin and Wyoming.

The Uniform Commercial Code is designed to supercede the following Uniform acts dealing with specific phases of commercial transactions, which acts were previously widely adopted:

Uniform Negotiable Instruments Law.
Uniform Warehouse Receipts Act.
Uniform Sales Act.
Uniform Bills of Lading Act.
Uniform Stock Transfer Act.
Uniform Conditional Sales Act.
Uniform Trust Receipts Act.

IV

Uniform Securities Ownership By Minors Act

This act should not be confused with the Uniform Gifts to Minors Act or the Uniform Act For Simplification of Fiduciary Security Transfers. The Uniform Securities Ownership By Minors Act was approved by the National Conference of Commissioners on Uniform State Laws this year and is intended to provide insulation from liability to banks, brokers and transfer agents who handle securities, unless they have received notice of or had actual knowledge of the minority or incompetency prior to the transaction. The law would allow a bank, broker or transfer agent to assume that the holder of a security is not a minor or an incompetent.

V

State Income Taxation of Firms Engaged in Interstate Commerce

For many years there has been uncertainty and litigation regarding the power of states to tax the income of firms engaged in interstate commerce. Companies have contended that income from business in a state wholly in interstate commerce could not be taxed by that state because it would be a burden on interstate commerce and an unconstitutional regulation of interstate commerce. The states involved have contended that a tax imposed directly upon that income must be distinguished from a franchise tax (because the franchise tax is imposed on the right or privilege to do business and might prevent the business from being done until the tax was paid, whereas the income tax cannot prevent the doing of business and therefore is non-regulatory) and that where there are intrastate activities by the company they have power to tax income derived from such activities.

U. S. Supreme Court Decisions in the Georgia and Minnesota Cases

Much attention was focused on this question when the Supreme Court of the United States in February, 1959 in deciding two important cases before it (the Georgia tax on Stockham Valves and Fittings, Inc., and the Minnesota tax on Northwestern States Portland Cement Company) concluded "that net income from the interstate operations of a foreign corporation may be subjected to state taxation provided the levy is not discriminatory and is properly apportioned to local activities within the taxing state forming sufficient nexus to support the same."

In the Georgia case, the company was incorporated in Delaware and had its administrative office and manufacturing plant in Birmingham, Alabama. It maintained warehouses in five states, had sales offices in seven plus the District of Columbia, and shipped its products to customers in 49 jurisdictions. It paid income taxes to four jurisdictions (Alabama, California, Pennsylvania, and the District of Columbia), but protested paying one to Georgia on the grounds that (a) the company had in Georgia only one sales representative who spent there only one-third of his time, soliciting orders, doing promotional work, and forwarding all orders to the Alabama office for acceptance or rejection; and (b) these orders, if accepted in the Alagama office, were filled from stocks that were held in the Alabama plant. Thus, the company's contention was that it did no intrastate business in Georgia.

In the Minnesota case, the company had a manufacturing plant in Iowa and sold its products in the North Central states. It maintained an office in Minneapolis, staffed by two salesmen and a secretary. It also had two salesmen operating out of their homes. The salesmen wrote orders and did promotional work, but all orders were subject to acceptance or rejection at the home office in Iowa. Orders were filled from stocks in the Iowa plant and shipped directly to the customers in Minnesota. The company protested being assessed by Minnesota not only for current state income taxes but for arrears and penalties dating back to 1933. The basis of the company's protest was that it was not engaged in intrastate commerce in Minnesota.

The majority of the Court sustained the state taxes, in indicated above, and observed that "The record is without conflict that both corporations engage in substantial income producing activity in the taxing states."

A dissenting opinion by Justice Whittaker, concurred in by Justices Frankfurter and Stewart, concluded that the states could not impose the tax and emphasized that the courts of Minnesota and Georgia specifically held that the income was derived exclusively from interstate commerce. The dissenting justices concluded that direct taxation of exclusively interstate commerce is a substantial regulation of it and, in the absence of congressional consent, is unconstitutional.

The decision coused alarm in the business community that mere solicitation of orders in a state might constitute a sufficient "nexus" to support income taxation by that state and that there would be difficulty in ascertaining the proper apportionment of "taxable income" for every state in which sales are made. There is great diversity in the laws of the states in determining what constitutes "taxable income" and the amount of income to be apportioned for tax purposes to each state. At least 35 states and the District of Columbia tax business

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income, but no two states have exactly the same formula.

Congress Provides Exceptions in Public Law 86-272

In response to urgent pleas for Congressional action, Public Law 86-272 was adopted on Sept. 14, 1959, providing that:

"No State or political subdivision thereof, shall have power to impose, for any taxable year ending after Sept. 14, 1959, a net income tax on the income derived within such State by any person from interstate commerce if the only business activities within such State by or on behalf of such person during such taxable year are either, or both, of the following:

(1) The solicitation of orders by such person, or his representative in such State for sales of **tangible** personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State, and

(2) The solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective customer of such person, if orders by such customer to such person to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).".

This law excepts the solicitation for sales of only **tangible** personal property, but does not exclude from the imposition of net income tax persons soliciting sales of intangible personal property.

The Report of the Senate Finance Committee on the bill to provide Public Law 86-272 (S. Report 658) pointed out that under the laws of different states a sale might be considered to have taken place where the goods were manufactured, where the goods were stored, where the transaction was finally approved, where the selling company was domiciled, where the salesman's office was located or in the place to which the goods were shipped. This creates the possibility that each of several states may regard the same sale as having occurred in it so that income from the sale might be subject to tax under the law of each of those states. Thus, one of the key problems is to establish a formula that will apportion income so that it will be taxed in only one state.

Federal legislation on this problem touches some delicate matters. A minority report by two members of the Senate Finance Committee stated that:

"This bill, if enacted into law, would constitute an unwise precedent of Congressional action to curb the power and statutory rights of States by curtailing the ability and choice of the States to raise sufficient revenue to carry out proper and necessary State functions.

"This bill represents a part of the fight, which is even older than the Constitution, between the producing and the consuming sections of our country. Two-thirds of the revenue collected by the various States from net income taxes on interstate business is collected by 10 manufacturing States. Should this bill be enacted into law, these States will be able to collect additional revenue at the expense of the consuming States."

There will be further consideration of this problem by Congress because Title 2 of Public Law 86-272 provided that:

"The Committee on the Judiciary of the House of Representatives and the Committee on Finance of the United States Senate, acting separately or jointly, or both, or any duly authorized subcommittees thereof, shall make full and complete studies of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities which are exclusively in furtherance of interstate commerce or which are a part of interstate commerce, for the purpose of recommending to the Congress proposed legislation providing uniform standards to be observed by the States in imposing income taxes on income so derived.

"The Committees shall report to their respective Houses the results of such studies together with their proposals for legislation on or before July 1, 1962."

The Uniform Division of Income for Tax Purposes Act

The difficult problems involved in apportioning income of business organizations under the tax laws of different states was recognized many years ago and in 1953 the National Conference of Commissioners on Uniform State Laws approved and recommended for enactment in all states a Uniform Division of Income for Tax Purposes Act. This act would apportion business income for tax purposes in a specific state by multiplying all business income by a fraction which would represent the ratio of the taxpayers' (1) real and tangible personal property owned or rented and used in the state, (2) payroll paid in the state and (3) sales in the state, compared with the total amount of each of those three factors in all states. This act would provide that:

"Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a **financial organization** or public utility or the rendering of purely personal services by an individual, shall allocate and apportion his net income as provided in this Act."

Consequently, the apportioning formula in this act would not apply to a "financial organization" which is defined in the act to mean "any bank, trust company, savings bank (industrial bank, land bank, safe deposit company), private banker, savings and loan association, credit union (cooperative bank), investment company, or any type of insurance company."

The proposed Uniform Act has **not** been adopted in any state.

In 1951 the Fiscal Report of the Committee on Tax Situs and Allocation of the National Tax Association provided in Rule 2 that:

"Net income from finance, insurance, investment . . . activities shall be allocated to a state by means of separate accounting; provided, however, that there shall be an adjustment for the contributions made to the production of such net income by headquarters activities of an interstate character. Such adjustment shall be made by deducting from the net income allocated to the state that portion thereof represented by the ratio of headquarters payroll to total payroll, and by adding to such net income allocated to the state that portion of the entire net income of the taxpayer represented by the ratio of headquarters payroll within the state to total payroll."

The Committee concluded that business activities of finance, insurance and investment are well adapted to income allocation by the use of the separate accounting method because, with the exception of the work of headquarters personnel, the accounts activities in one state have relatively little effect in producing income outside the state.

State income taxation of firms

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engaged in interstate commerce is important to investment banking firms with respect to both their own tax liability and the effect on industrial firms.

VI

North American Securities Administration

The Annual Meeting of the North American Securities Administrators (the members of which are the Administrators of the state securities acts) was held in Quebec in September. As is customary, the Chairman of the Committee and the Assistant General Counsel of the IBA attended the meeting. We express again appreciation for the assistance and cooperation received by this Committee and by members of the industry from many of the state Administrators in work on amendments to state securities acts and administrative problems under the acts.

Respectfully submitted,
STATE LEGISLATION COMMITTEE

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Mortimer A. Cohen
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Wilbur E. Hess
J. R. Phillips Investment Company, Incorporated
Houston, Tex.

Henning Hilliard
J. J. B. Hilliard & Son
Louisville, Ky.

William S. Hughes
Wagenseller & Durst, Inc.
Los Angeles, Calif.

W. Shannon Hughes
Raffensperger, Hughes & Co., Incorporated, Indianapolis, Ind.

Frank H. Hunter
McKelvey & Company
Pittsburgh, Pa.

William L. Hurley
Baker, Simonds & Co., Inc.
Detroit, Mich.

Marshall H. Johnson
McDaniel Lewis & Co.
Greensboro, N. C.

Roy W. Leriche
First of Iowa Corporation
Des Moines, Iowa

Herman L. Lind
Camp & Co.
Portland, Oreg.

W. Bruce McConnel, Jr.
Singer, Deane & Scribner
Pittsburgh, Pa.

Harry A. McDonald, Jr.
McDonald-Moore & Co.
Detroit, Mich.

Louis Meyer, Jr.
Stern, Frank, Meyer & Fox
Los Angeles, Calif.

Frank R. Musrush
The Ohio Company
Columbus, Ohio

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

Charles C. Pierce
Rauscher, Pierce & Co., Inc.
Dallas, Tex.

Malcolm F. Roberts
Garrett-Bromfield & Co.
Denver, Colo.

Edmund H. Sears
Estabrook & Co.
Boston, Mass.

James E. Snyder
A. C. Allyn and Company, Incorporated, Chicago, Ill.

Harry Theis
Stifel, Nicolaus & Company, Incorporated, St. Louis, Mo.

Milton S. Trost
Stein Bros. & Boyce
Louisville, Ky.

Henry L. Valentine II
Davenport & Co.
Richmond, Va.

APPENDIX A

Summary of Amendments to State Securities Acts in 1960

ARIZONA

The Arizona Securities Act was amended effective March 31, 1960 to subject investment certificates issued by thrift companies to the securities law. A "thrift company" is defined as a corporation which in the regular course of business receives money from the public, issues investment certificates in return therefor and loans such money; but it does not include financial institutions defined by Section 6-101 of the law (certain banks and savings and loan associations) nor companies registered pursuant to the Investment Company Act of 1940. The amendment includes special provisions applicable to thrift companies with respect to the required capital, reserves and eligibility for election as a director.

GEORGIA

The Georgia Securities Act was amended effective March 17, 1960 as follows:

(1) Section 1(g), defining "salesmen" was amended to exclude partners or executive officers of an issuer unless they are paid a commission for the sale of securities and to exclude executive officers or directors of an issuing corporation from the examination as a prerequisite for being a salesman.

(2) Section 3(h) was amended to clarify the exemption from the requirement for bond for issuers of securities registered under the act.

(3) Section 4(c) was amended to authorize a $15 fee in connection with the examination of salesmen.

(4) Section 4(f) was amended to provide that the amount prescribed for the bonds required of salesmen, limited salesmen, dealers, limited dealers and for the registration of securities shall be construed as being to aggregate liability recoverable against such bonds regardless of number of claimants and shall not be construed as individual liability.

(5) Section 6(j) was amended to specify the information required in an affidavit filed with the Commissioner in connection with the exemption for the sale of securities not involving an underwriting to not in excess of 25 persons.

KENTUCKY

A complete new securities act was adopted in Kentucky effective Jan. 1, 1961. The new act is based on the Modified Uniform States Securities Act.

MICHIGAN

Section 451.106(n) of the Michigan Securities Act was amended by deleting the language in parenthesis and adding the underlined language to read as follows:

"(n) The offering and sale by an issuer of its securities pro rata to its stockholders, (providing they do not exceed 25 in number) and the subsequent offering and sale within 3 months after such offer of any unsubscribed portion of such securities to one or more stockholders upon terms not less favorable to the issuer than the previous offering, **subject to such conditions and prohibitions as the Commissioner may impose by regulation for the protection of investors.**

Subdivision (3) of Section 451.113 of the Act was also amended so that the exemption for securities issued or sold to the issuer's own security holders, bona fide permanent employees and/or not more than 5 other persons would apply to securities sold to not more than 15 other persons.

NEW JERSEY

A complete new securities act was adopted in New Jersey effective Jan. 1, 1961, embodying the anti-fraud and dealer and agent registration provisions of the Uniform State Securities Act with some modifications. Dealers and salesmen are not required to register under the present New Jersey Securities Act. The new act will require any person acting as a broker-dealer or agent in New Jersey to register under the act, but the act will not require registration of securities. The new act specifically excepts from the definition of "broker-dealer," and thereby exempts from the registration requirement, (1) banks or trust companies, (2) a person who effects transactions in the state exclusively in municipal bonds, U. S. Government bonds, and bonds of Canada or any Canadian province and (3) a person who effects transactions in the state exclusively with or through issuers of the securities involved in the transactions, other broker-dealers, banks, savings institutions, trust companies, insurance companies, investment companies, pension or profit-sharing trusts or other financial institutions.

NEW YORK

An Investment Advisory Registration Act was adopted as an amendment to the New York blue sky law effective July 1, 1960. "Investment Adviser" is defined to mean any person who, for compensation, engages in the business of advising members of the public either directly or through publications or writings within or from the State of New York as to the value of securities or as to the advisability of investing in, purchasing, or selling or holding securities or who, for compensation and as a part of regular business issues or promulgates analyses or reports concerning securities to memebrs of the public within or from the State of New

York. "Investment adviser" does not include a bank or trust company; a broker or dealer whose performance of these services is solely incidental to the conduct of his business as broker or dealer and who receives no special compensation for them; a person who does not sell investment advisory services to more than 40 persons in the state; and certain other specifically exempted persons. The act requires investment advisers to register with the attorney general, to pay an annual fee of $100 for original investment advisory statements and for each renewal and to file on the date of issue or publication to the investing public one copy of any prospectus or other sales literature addressed or intended for general distribution to clients or prospective clients and one copy of any advertisement offering investment advisory services.

New sections regarding real estate syndication offerings were added to the New York blue sky law effective Jan. 1, 1961. It will be unlawful to take part in a public offering or sale in or from the State of New York of securities constituted of participation interests or investments in real estate, mortgages or leases, including stocks, bonds, debentures, evidences of interest or indebtedness, limited partnership interests or other securities, when such securities consist primarily of participation interests or investments in one or more real estate ventures, unless there shall have been filed with the Department of Law a written statement to be known as an "offering statement" or "prospectus" concerning the contemplated offering and containing specified information and representations. No offering or sale of such securities shall be made except on the basis of information, statements, literature or representations constituting the offering statement or prospectus. The attorney general is authorized to exempt any offerings of securities (1) made to persons not exceeding 40 in number or (2) if the securities have been fully registered with the Federal Securities and Exchange Commission or have received an exemption therefrom for reasons other than the offering being an intrastate offering to residents of the State of New York only. Whenever real estate syndication securities are sold to the public in or from the State of New York, all moneys received in connection therewith shall continue to be the money of the person making the purchase, deposit or advance and shall be held in trust by the person offering or selling such securities and shall not be commingled with the personal assets of the person receiving the same until the funds are actually employed in connection with the consummation of the transaction.

VIRGINIA

The Virginia Securities Act was amended in 1960 by adding the following exemption:

"The Commission may by order exempt from the other provisions of this chapter any security that the Commission finds

(1) is to be offered and sold as part of a community undertaking to attract new business or industry to the community,

(2) is sponsored by the local chamber of commerce, by a local industrial development corporation or by other groups of representative local businessmen, and

(3) is to be sold mainly to persons interested in the development of the community by salesmen who receive no compensation for offering and selling the security."

APPENDIX B

Illinois Rule 150 (February, 1960)

(a) The following acts or omissions in connection with an offering of securities shall constitute such offering "inequitable" and on which will "work or tend to work a fraud or deceit":

(1) Warrants or stock purchase options to those other than all of the purchasers of securities must be justified by the applicant. The following standards will be followed in determining whether the issuance of such warrants or stock options are justified.

Restricted Stock Options: Options to management in the nature of restricted stock options for incentive purposes will be considered justified in reasonable in number and method of exercise;

Stock Purchase Plans: Options to employees, or their nominees pursuant to stock purchase plans or profit sharing plans will be considered justified if reasonable in number and method of exercise;

Options to Underwriters: Options to underwriters will be considered justified if all of the following conditions are met:

(a) if issued to managing underwriters under a firm underwriting agreement provided they are not transferable except in cases where the managing underwriter is a partnership and then only among the partnership;

(b) if the number of shares covered by the warrants or options does not exceed ten percent (10%) of the securities to be outstanding at the completion of the offering;

(c) if the initial exercise price of the options is at least equal to the public offering price with a step-up of the exercise price of either,

(1) seven percent (7%) each year they are outstanding, or in the alternative,

(2) twenty percent (20%) at any time; provided that an election as to either alternative must be made by the underwriters at the time that the options are issued to the underwriters;

(d) if the options or warrants do not exceed five (5) years in duration and are exercisable one year after issuance;

(e) if the options and warrants are issued by a relatively small company in the promotional stage where it appears from all the facts and circumstances that the issuance of options is necessary to obtain competent investment banking service, provided that the direct commissions to the underwriters are lower than the usual and customary commissions would be in the absence of such options or warrants;

(f) that the prospectus issued in connection with the application contains a full disclosure as to the terms and the reason for the issuance of such options and warrants; and further provided that if such reason is in connection with future advisory services to be performed by the underwriter without compensation in consideration for the issuance of such options, that a statement to that effect be placed in the prospectus;

(g) that in states where it is necessary to include the value of the options in the computation of commission, the market value of such options, if any, be used. That in those cases where no market value exists, an arbitrary value of twenty percent (20%) of the original exercise price of such options be used unless evidence indicates that a contrary valuation exists;

(h) that the same tests be applied to options issued by "selling shareholders" as has been recommended herein, unless evidence indicates that the selling shareholders are so separated from the corporate entity and so lacking in control of the corporate entity as to require more liberal treatment.

(2) The offering or proposed offering of securities of an issuer which is in the promotional, exploratory or development stage and in respect of which the fair value of the equity investment of the promoters of such issuer is less than 15% of the total equity investment which would result from the sale of all of the securities which are the subject of the offering or proposed offering, shall be presumed to be inequitable and to work or tend to work a fraud or deceit upon the purchasers of the securities offered or proposed to be offered.

(a) For purposes of this rule, the term "fair value of the equity investment of the promoters" shall mean the total of all sums contributed to the issuer in cash together with the reasonable value (as determined by independent appraisal pursuant to Rule 180) of all tangible assets contributed to the issuer.

(b) For purposes of this rule, the term "total equity investment" shall mean the total of (a) the par or stated value of all equity securities offered or proposed to be offered, and (b) the amount of surplus of any kind, regardless of description and whether or not restricted.

Federman, Stonehill Partner

Federman, Stonehill & Co., 70 Pine St., New York City, members of the New York Stock Exchange, on Jan. 2 will admit James Meade to limited partnership.

Hecker to Admit

PHILADELPHIA, Pa.—Hecker & Co., Liberty Trust Building, members of the New York and Philadelphia - Baltimore Stock Exchanges, will admit Edna M. Sellers and Gladys D. Kolb to limited partnership on Jan. 1.

Hirsch to Admit

On Jan. 1 Hirsch & Co., 25 Broad St., New York City, members of the New York Stock Exchange, will admit Milton C. Altenberger to limited partnership.

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Korean War took their toll on policyholders' surplus at the same time that premium writings were rising sharply.

Again in 1958 and 1959, as the unprofitable phase of the underwriting cycle which extended from 1955 through 1957 began to subside, there was a sharp increase in new capital financing by the fire and casualty insurance companies. The total amount raised in the 1958-1959 period was $132 million, including $55 million contributed to Allstate and Service Fire Insurance Company by Sears Roebuck in 1958. While the 1959 financings were well received, it is noteworthy that they were executed at a time when markets for fire and casualty stocks were relatively low so that substantial concessions in price were necessary.

While the amount of new financing done by fire and casualty companies to date in 1960 has been small, the industry's ratio of capital funds to liabilities continues to be historically low. Underwriting results have been favorable this year, but equity security markets have been under some pressure. Premium volume is rising, partly as a result of higher rate structures. Thus, it would seem that the new financing which took place last year still leaves a need for more financing in the future by many companies in the industry if they are to maintain strong enough ratios of capital to liabilities to permit the desired expansion of their total premium volume.

A review of the figures applicable to individual companies or groups indicates that the industry figures consist of a composite of rather widely different situations. Certain of the older, large multiple line groups have built up substantial ratios of policyholders' surplus to liabilities. On the other hand, some companies' ratios are well under the industry averages, indicating a possible need for new capital to bring them into closer alignment with other companies.

It has been pointed out that no single ratio provides conclusive evidence of the need for new financing by a fire or casualty insurance company. The relationship of policyholders' surplus to actual and potential liabilities provides only a general indication of the adequacy of capital. Two companies may have practically identical ratios of policyholders' surplus to liabilities and yet differ widely with respect to relative financial strength. For example, if one of these companies has been enjoying profitable underwriting experience while the other has been losing money on its underwriting operations, there may be a great difference in the need for new capital by the two companies. In the case of casualty companies, the reserving policy of one company may be more conservative than that of another company. While the more conservative company may show lower underwriting earnings as a result of having set up large reserves against losses, its actual position may be substantially stronger than the company which has underreserved.

Varying Interpretations

Investment policies also have a bearing on the questions of the adequacy of capital resources of a fire or casualty company. Fire companies, which may be called upon to meet sizable claims within a short period of time, usually should have about a dollar of policyholders' surplus for each dollar of liabilities. Casualty companies, whose claims usually are slower in developing, may require only about half a dollar of policyholders' surplus per dollar of premiums. However, this means that the casualty company must have a more liquid portfolio than the fire company. If two companies are alike in all respects except as to the liquidity of their investments, the company with the less liquid portfolio may be said to need more capital than the more liquid one.

A thorough examination of a particular company's position and a study of the nature and trend of its business is necessary before an option can be formed with respect to that company's need for additional capital. Even after such an examination, the conclusion reached may be tentative unless the degree of under-capitalization is substantial. To a certain extent, the question is a relative one. This arises from the fact that investors and policyholders are continually making comparisons between companies. Thus the managements of insurance companies are inclined to make their own comparisons of their financial strength with that of competing companies. If the competitors are raising new capital to strengthen their financial positions, there will naturally be a tendency for the company whose capital resources are thin to follow suit.

Of course it is possible for any one insurance company to avoid raising additional capital by deliberately holding down the amount of new business it will take on. As a temporary measure this may be defended, particularly after a period of rapid expansion where time for digestion is needed. However, if the demand is there, the industry as a whole cannot refuse to perform its function for any extended period of time without running the risk of socialism. Furthermore, there is the possibility that a refusal of business will result in the loss of interest by agents. Once agents have shifted to another company, it is likely to prove difficult to get them back at a later date.

The fire and casualty industry, by adding over half a billion dollars of new capital to its policyholders' surplus in the 1945-1949 period, has demonstrated its ability to attract the capital essential to its continued growth. That the new offerings have been well received by shareholders is evidence of continued investor confidence in the industry in general and in the companies making the new offerings in particular. The ability to draw upon investors for additional capital investment is an essential characteristic of a sound and vigorous business. The future growth of our nation's economy necessarily involves further rapid expansion of the fire and casualty insurance business. While it is expected that most of this expansion will continue to be financed through internal generation of surplus, the need for additional capital from outside sources will continue. The amount and the

TABLE I

Capital Ratios of Stock Fire and Casualty Insurance Companies, 1945-1959

Year	Premiums Written	Total Liabilities	Policyholders' Surplus	Ratio of 3-to-2	Ratio of 3-to-1
1959	$9,930,697	$12,419,384	$9,381,140	0.755	0.945
1958	9,076,828	11,495,592	8,619,370	0.750	0.950
1957	8,640,093	10,816,014	7,073,013	0.654	0.819
1956	7,991,071	10,010,966	7,800,261	0.779	0.976
1955	7,662,138	9,581,015	7,693,594	0.803	1.004
1954	7,143,593	9,091,471	6,697,463	0.737	0.938
1953	7,000,347	8,579,987	5,191,529	0.605	0.742
1952	6,410,590	7,815,122	4,963,904	0.635	0.774
1951	5,768,796	6,992,252	4,542,504	0.650	0.789
1950	5,137,528	6,386,108	4,216,861	0.660	0.821
1949	4,759,920	5,812,175	3,707,539	0.638	0.777
1948	4,403,011	5,222,024	3,066,252	0.587	0.696
1947	3,862,123	4,560,436	2,904,943	0.637	0.752
1946	3,063,044	3,751,401	2,878,935	0.767	0.940
1945	2,424,661	3,158,005	3,150,831	0.998	1.299

NOTE: Dollar figures in thousands. (Source: Aggregates and Averages, Alfred M. Best Co.)

TABLE II

New Capital Raised by Fire and Casualty Companies, 1949-1959

Year	†Amount	Year	†Amount
1959	$64,000,000	1951	$25,000,000
1958	*68,000,000	1950	33,000,000
1957	13,000,000	1949	10,000,000
1956	18,000,000	1948	32,000,000
1955	46,000,000	1947	80,000,000
1954	63,000,000	1946	45,000,000
1953	30,000,000	1945	25,000,000
1952	20,000,000		

†Rounded out to nearest million. *Includes $55,000,000 contributed by Sears Roebuck and Company to Allstate and Service Fire Insurance Company. Source: Insurance News, Alfred M. Best Company, Annual Editions.

timing of future financing will depend on the rate of growth of the business, the extent of pressure on existing capital resources and the condition of security markets.

II
Significant Happenings in Fire And Casualty Stocks in 1960

Underwriting results for the first half of 1960 of the fire and casualty companies bore out the high hopes held for them as the year began.

The second and third quarters of 1959 were materially better than any similar periods for a number of prior years. These better results carried forward into the first six months of 1960.

Rate increases for private passenger automobile granted in 1957 and 1958 were fully earned. The inflationary trends of the prior 10 years tended to level off and the extensive safety education program adopted by the insurance industry began to bear fruit. The combination of these factors drastically reduced the tremendous losses which the industry had been suffering in this important segment of the business. In addition, loss of property due to fire decreased throughout the country in the first half of the year.

With the two major lines of business rapidly improving, prospects for underwriting results were brighter than at any time since 1954.

The price of many of the fire and casualty insurance stocks reflected this improvement. For July and most of August, the Dow Jones Industrial Averages were sinking steadily yet insurance stocks prices were at least stable and were in many instances rising. The problems of 1955 through 1959 were beginning to fade into history. Then, as has often been the case in the affairs of man, came the "Femme Fatale." Donna struck!

First Reports Ominous

The initial estimates of the storm damages were ominous. Total insured damage of approximately $135 million was mentioned. The immediate effect on insurance stock prices was relatively severe, many declining over 5% within a two-day period. As time wore on, these original estimates were reduced, until at present writing it would seem that total industry losses will be less than $100 million. While it is obvious that the storm damages will not improve third quarter results, it does not appear likely that its impact will have more than a modest effect on year end results.

Excluding the effect of Hurricane Donna, the underwriting results of the third quarter were not as profitable as those of the first and second quarters. Fire losses crept up until in August they increased 20.6%. Surety bonds, usually one of the most profitable segments of the business, turned sour and underwriters again began to worry about the losses in private passenger automobile insurance.

The fourth quarter of 1960 holds the key to whether it will be an excellent year or only moderately better than 1959. If the last three months are as profitable as was the first six months, the industry will report excellent operating figures. In this event dividend increases should be a matter of course in many companies whose payout of investment income is lower than it has been for a number of years.

Aside from operating results there were a number of interesting developments in the fire and casualty industry.

The problem of meeting the competition of direct writers has continued to receive study. Stock agency companies increasingly realize that they cannot compete across the board on private passenger automobile business under their present system of operation. Many agents as well are beginning to face the facts of the matter. Reduction in commission paid as well as the use of direct billing of policyholders and continuous policy forms are becoming more widely used. The *Journal of Commerce* on Sept. 28, 1960 carried an article headlined "Direct Billing and Continuous Policy Acceptance Spreading." "Results of survey disclosed at the 64th Annual Convention of the National Association of Insurance Agents, show that 50% of member agencies of the organization write continuous policies, while 40% insure risks billed directly by their compaines."

Such practices tend to materially reduce expenses and enable stock agency companies to compete for the better class of business which has been lost to non-agency companies.

Merit Rating Plans

The second manner in which agency companies attempted to compete is through the use of merit rating plans. These plans give a discount from a base rate for a period of accident-free driving. Rates are increased for accidents or moving traffic violations up to a limit of twice the base rate. This merit rating approach has been in operation for more than a year giving ample opportunity to assess its value. Opinion is sharply divided as to its success. Some industry leaders defend it as a valid approach to the problem. Others maintain that it is unworkable and is nothing more than a cut in rates which canont be justified by present experience. At best the plan is unwieldy and difficult to administer.

The trend toward acquisition of life insurance subsidiaries by fire and casualty companies continues. A number of the largest and most successful companies in the industry have acquired life companies. A number of others have either started their own companies or life insurance departments. This affiliation of fire and casualty and life insurance operations makes available to the insurance buyer the one stop shopping so prevalent in other areas of merchandising.

Mergers: Planned and Rumored

Another interesting development in 1960 has been the increase in mergers and rumors of mergers between fire and casualty companies. The Carroon and Reynolds group has announced a plan of merger between two companies in the group. Glens Falls is merging with Kansas City Fire and Marine, and there were the usual large number of rumors. Perhaps the most talked-about merger possibility is that of New Amsterdam Casualty Company. Security Insurance Company of New Haven has filed a plan of exchange with the Insurance Commission of Connecticut proposing to exchange 1¼ shares of Security for each share of New Amsterdam. Fidelity and Deposit Company of Baltimore is reported to be considering an exchange of stock with New Amsterdam and rumor has it that Home Insurance may also be interested. In view of the decline in the Dow-Jones Averages in the past three months and with the corresponding pressure on surplus accounts, merger talks may grow even more prevalent.

The decline in common stock prices injects a factor in the industry which has not had to be reckoned with in the recent past. Even though the fire and casualty companies have suffered severe underwriting losses during the last five years, surplus accounts and book values were bolstered by rising stock prices. The decline in market prices in September and October has revised this trend. Stocks are carried by the companies at market values and hence surplus accounts and book values are being reduced. Since insurance companies must maintain a sufficient surplus to finance business written, some are getting in the position of curtailing new premium writings or raising money. Should the underwriting results become unprofitable at the same time that the prices of common stock are depressed, the condition could become fairly serious.

The market for the stocks of fire and casualty companies has had its ups and downs in 1960. The low point for the year, based on Best's Stocks Index of 30 fire and casualty stocks, was in January. Reflecting the improvement in first and second quarter results the market improved until it reached a peak in August. Indication of less favorable third-quarter results started a downtrend and the advent of Hurricane Donna had a rapid and unsettling effect. The stocks began to recover from an overly pessimistic view of the storm damage and in October battled valiantly against a general decline in common stock prices.

The stocks of fire and casualty companies represent one of the few industries where expected earnings for 1960 will be improved over those of 1959. The rate of improvement is still in doubt at this writing but improvement is expected. Many companies in the industry are in a position to increase dividends reflecting this improvement. In light of these factors moderate improvement in prices can be expected.

III

Important Happenings in Life In 1960

When, early in 1960, the operating results of life insurance companies for the preceding year were published, and it was evident that the new taxes were being taken in stride and were not seriously affecting earnings, there was a strong upward movement in the market prices of life shares. This strength persisted until moderate declines appeared in sympathy with the weakness of the general market. The moderation of the declines was in line with the generally defensive character of life stocks.

The drive for new business by life companies has continued and accelerated this year. Agency forces have been strengthened and new policy contracts have been devised to attract additional sales volume.

In May the SEC passed the prospectus for Variable Annuity Life Insurance, which was the first such company to be formally approved for offering variable contracts. There are now three small companies in that field as well as the Prudential, which has been leading the move in that direction.

Connecticut General has continued its legal efforts to force the New York Department to permit acquisition of fire and casualty companies by life companies not residents of New York State but admitted to do business there. The lower court upheld the right of the Department to deny such permission and the case has been argued before the Court of Appeals, from which a decision is expected before the end of the year. The Supreme Court may ultimately be asked for a ruling.

Annual Stock Dividends Favored

Dividends and stock splits have not been frequent in 1960. A growing number of companies are adopting a policy of paying small stock dividends of 4% or 5% annually rather than to make larger distributions after a period of several years.

The life insurance industry has been very much concerned over attempts to pass the Forand Bill and other measures to provide medical care for the aged under the Social Security structure. It is felt that this would seriously compete with accident and health business written by the companies. Although that bill was defeated,

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it is not felt that the threat has been removed.

It was reported that Lloyd's of London, attracted by the stable earnings of life insurance companies, was seriously considering the formation of a life company.

On June 30, 1960, there were 1,439 life companies in the United States—28 more than the year before, and 2¼ times as many as on June 30, 1950. Of these, 300 were domiciled in Texas, 127 in Louisiana, 108 in Arizona, 58 in Illinois, 33 in Delaware and 32 in New York. One thousand two hundred and eighty-five of these were stock companies, but the 154 mutual companies do more than 60% of the life business of the country. Twenty life companies are now over 100 years old and 105 are over 50 years old. Seventy-three companies have more than $1 billion of insurance in force as against only 30 which had passed that amount in force 10 years ago.

At the beginning of this year, the investments of life insurance companies totaled $113,626,000,000. In the preceding 12 months there was $6 billion in new investment money; maturities, prepayments and sales of investments provided $13,800,000,000 for reinvestment, which brought the total investment funds during 1959 to $19,800,000,000. Of this amount 30% was placed in mortgages, $4,416,000,000 in government bonds and something over $750 million in tax-free municipals.

Very few life companies issue semi-annual statements, but from informal sources it is known that on the whole the companies are enjoying a very good year, both in sales of new business and in earnings.

IV

Scope of Fire and Casualty Insurance Industry and Its Status as a Field of Investment

The field of fire and casualty insurance investment offers a wide choice of different types of securities to meet varying investment requirements. For example, there are about 50 stocks in the fire and casualty industry with fairly active markets and perhaps 15 or 20 which can be said to have broad markets. Taking 15 of the largest companies in which general investors might participate, one finds a total net worth (capital and surplus) of about 3½ billion dollars. These 15 companies constitute considerably more than half the total stock insurance business.

Total assets of all stock fire and casualty companies are exceeded in size by the oil industry. The insurance industry is larger than steel, chemicals, automobiles, paper and other such important investment areas. The foregoing figures are rough but they clearly indicate an industry of real investment consequence.

The scope of the industry in terms of the service it provides is broader than almost any other single business. Every productive enterprise and almost every individual is directly a customer and everyone is indirectly a customer. The size of the business is directly related to over-all economic activity and, in fact, grows faster than the economy as a whole because of the continuous proliferation of new coverages. Fire insurance, once the whole business, is now only a small proportion of total volume, and while growing absolutely year by year in pace with the growth of physical assets, is steadily shrinking relative to the total by reason of the much more rapid growth of other lines.

The leading stocks of the industry offer the investor opportunities through which varied investment objectives can be met. For example, some of the leading fire and casualty underwriters offer low immediate returns with promise of greater than average growth in value. On the other hand, current yields of greater amount than available in the average industrial can be had in many of the old-line property companies. For the investor who is interested in participating in the common stock market, some insurance companies offer an investment in prime stocks at a discount. Others offer a major participation in the bond market on a leveraged basis. Thus, the scope of the industry offers the investor in varying combinations, yields, growth and such participation in the general market—stocks or bonds—as may be desired. In addition, the industry offers a security and stability of cash dividend return matched by no other industry over the past century and more. This stability is based on the breadth of diversification of the primary business—insurance, and more importantly, perhaps, in the diversification of the invested assets in a cross-section of other industries.

Competitive Factors in the Industry

The traditional "American Agency" stock companies have felt the growing competition from direct-writers and mutuals which are able to offer a similar product at lower prices. The industry is aware of the inefficiencies of the so-called "American Agency System" and while corrective measures will be painful to some areas of the business, it appears that they are inevitable. Individual company problems will probably be eased to an increasing degree by mergers.

A related development of recent years has been the trend of integration in the industry. In the past 10 years, almost all large fire companies have gone into casualty lines and the casualty companies into fire. More recently, the trend has been for fire and casualty companies to go into the life business either directly as in the case of Insurance Company of North America by organization of a life affiliate or by merger or purchase as in the case of Federal, Saint Paul, Home, Springfield, and others. Eventually it is to be expected that the life companies will reciprocate. This may provide a real opportunity for appreciation in value of fire and casualty companies which are suitable candidates for absorption.

To return more specifically to the basic investment characteristics of the industry, the following advantages are offered.

(1) Dividend stability resulting from the general policy of the industry of paying out in dividends only 50 to 65% of normally stable investment income.

(2) Growth in underlying value resulting from reinvestment of up to one-half of investment income together with all net earnings from underwriting. Another important growth factor has been the appreciation of substantial common stock investments held.

(3) Diversification of risk in the insurance companies investment portfolios affords equivalent diversification to the stockholder.

(4) Inflation protection over a long term has resulted from growth in asset values through sources listed under (2) above together with the tendency for insurance coverage to rise with any decline in purchasing power of the dollar. To some extent, inflation protection to the insurance investor has lagged because of the difficulty of adjusting rates to changing conditions. This is essentially a problem of state politics since insurance Commissioners hesitate to promptly adjust rates in line with necessities.

(5) The industry offers a reasonable assurance of underwriting profits over a period of years. The underwriter of average efficiency is entitled to a profit under public regulation. Periods of unfavorable underwriting in the past have always been followed by better times.

(6) The nature of the assets of an insurance company, being largely invested in high grade marketable securities, are such that there is little risk of obsolescence. The basic assets of the business have independent earning power and value entirely apart from conditions which may exist from time to time in the underwriting business itself. Even the fixed assets of the industry are of a general purpose nature and in most cases could be adapted to other uses.

Long-Term Price Stability

The long-term record of the insurance industry has been surpassed by few other industries. The highly cyclical pattern of underwriting has been offset by investment stability and the secular trend of earnings has paralleled business as a whole. From the point of view of market prices, insurance stocks have also performed well over long periods of time. In recent years, however, the unfavorable underwriting results have depressed prices in this industry during a period of materially higher prices for equities in general; this trend has apparently been reversed in that the leading insurance stocks have firmly resisted market decline during 1960.

To the investors of varying objectives and requirements, insurance stocks offer a diversified opportunity. The following classification into four groups, each serving a different need is indicative though by no means inclusive.

(1) The financially strong integrated companies with excellent underwriting records. These companies of the type represented by Insurance Company of North America, Hartford Fire, Saint Paul, and Federal tend to sell at a high price in relation to normal earnings, liquidating value and at low yields. They are suitable investments for long term growth in value in accounts in which current income is a secondary consideration.

(2) The financially strong companies with fair to satisfactory underwriting performance which sell at lower prices in relation to statistical factors but which have an element of growth combined with a viable yield. These stocks have been suitable over the years as alternatives to preferred stocks and bonds. They rival these categories for stability of return and in addition have shown an upward trend of dividends and price. Thus, where a "living wage" is required, these stocks fill the bill. Typical of this type of company are the Crum & Forster Companies—U. S. Fire, North River and Westchester; Great American Insurance Co., Merchants Fire Insurance Co. to name a few.

(3) Companies with sound underwriting records which normally do a very large insurance business in relation to capital. These companies are more volatile in earning power than the previous groups but also enjoy large potential growth. United States Fidelity & Guaranty, Maryland Casualty, Glens Falls and Fireman's Fund are typical of this group.

(4) A fourth type of company which has a second grade underwriting record and a low capital and surplus to insurance in force is less suitable for the average investor.

Investment Performance

Although underwriting is important in all companies, its significance varies widely from company to company. For example, in a good underwriting year Maryland Casualty derives about half its income from investments. Great American's income in a good underwriting year derives roughly three-fourths from investments. Even in top-flight companies such as Insurance Company of North America, about two-thirds of income comes from investments in a good year, and considerably more in a poor year. Thus, investment performance and quality of portfolio should not be minimized. Companies which have good investment performance and poor underwriting sell at substantial discounts from assets. If the reason for these discounts is the participation in unsatisfactory underwriting and the risks involved therein, then the larger the ratio of unsatisfactory insurance business to the investment factor, the greater should be the discount. Since the market is often insensitive to relationships of this kind, opportunities for the investor are seldom difficult to find.

At the present time and in spite of hurricane "Donna" there is strong evidence to suggest that the underwiting cycle is on an upward trend, and that the improvement will run for some time before another downturn is to be expected. During such a period of unfavorable underwriting, insurance stocks are likely to perform relatively well in the market by comparison with other groups.

The current up-cycle in underwriting is being accompanied by gains in investment income. Several companies have already increased their dividends and further liberalization of payments is expected if underwriting can be held to a modest margin of profit. This would appear probable even though price cutting and other competitive conditions are already being felt in various segments of the industry. While the profitability from underwriting of the current up-cycle may well be substandard, income from investments particularly bonds will continue to rise sharply and many companies will earn more from investment sources alone than was possible from all sources in the most recent good underwriting year. For example—Great American's 1960 investment earnings are estimated at $4.30, which compares with total earnings of $3.12 in 1953 at which time the combined ratio was 96.6%. (For the first six months of 1960, Great American's combined ratio was only 97% compared with over 103% last year.)

It has been pointed out previously that some companies—particularly those in the casualty business—have heavy bond portfolios representing loss reserves as well as unearned premium reserves. Such companies are highly leveraged with respect to the bond market and have suffered in the past decade due to declining bond prices. Investment earnings, however, have shown a superior trend as maturities and new money have rolled over at higher rates. If money rates continue high, the insurance companies with large bond portfolios relative to capital will show increasingly good investment results.

In summation, the insurance stock group, instead of being a field of investment suitable only for special types of investment accounts, is broadly applicable to almost any investment portfolio regardless of the objectives being sought. Market prices currently do not reflect in full measure an almost unique galaxy of favorable characteristics.

Respectfully submitted,

INSURANCE SECURITIES COMMITTEE

Shelby Cullom Davis, Chairman
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William W. Amos
The First Boston Corporation
New York, N. Y.

Bowen Blair
William Blair & Company
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J. C. Bradford
J. C. Bradford & Co.
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Sanders & Company
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William F. Gliss, Jr.
John C. Legg & Company
New York, N. Y.

Walter C. Gorey
Walter C. Gorey Co.
San Francisco, Calif.

H. F. Henrickson
A. C. Allyn and Company, Incorporated, Chicago, Ill.

Graham Jones
Cooley & Company
Hartford, Conn.

Delafield Co. to Admit

On Jan. 1 William J. Reid will be admitted to partnership in Delafield & Delafield, 45 Wall St., New York City, members of the New York Stock Exchange.

To Be Dunscombe Partner

Nathan Burnett on Jan. 1 will be admitted to partnership in Dunscombe & Co., 111 Broadway, New York City, members of the New York Stock Exchange.

Leavitt Co. Partners

On Dec. 15 Girard J. Beno and Tessie F. Beno will become limited partners in Leavitt & Co., 19 Rector St., New York City, members of the New York Stock Exchange.

Report of IBA Nuclear Industry Committee

Continued from page 37

Franco-Belge des Ardennes (SENA) which comes under the Euratom program. Things indeed look brighter for Euratom today than a year ago when most utility companies in Europe had decided to postpone their decision to build nuclear power plants. We had indicated, however, that the recession in nuclear power construction in Europe could only be a temporary phase. It is encouraging to see that Europe is moving in the right direction.

Of course, the detailed chart which has been prepared does not point to the other power reactors in Europe and the United Kingdom which have been built entirely without any manufacturing or construction assistance from this country. The French and British nuclear power programs continue to go forward.

Financial and Economic Aspects Of Power Reactors in the U. S.

Some utilities in this country are building reactor plants entirely at their own expense, including research and development costs. In such cases, the general credit of the company has been used to secure the financing. Of course, this method can be used only where the size of the nuclear power plant is substantially less than the yearly increase in total plant capacity that is needed to cope with the normal growth of the utility company. Were it not so, the financial burdens that are always present in launching any new technological venture might be prohibitive for the company. Furthermore, the higher cost of nuclear electricity might not be diluted sufficiently in the overall electricity production cost.

In order to spread the higher capital costs and also the uneconomic operation of nuclear power plants in their earlier years, most utility companies have preferred to pool their resources to form non-profit corporations to construct and operate a specific nuclear power plant. Grants from the sponsoring companies cover a part of the capital funds needed and, as a rule, have been intended to cover the excess capital cost of the nuclear plant over the cost of a conventional plant of the same size. These grants are then written off as research expenditures over a period of years, usually five. It is gratifying to note that the public utility regulatory commissions and the income tax authorities have, in most cases, agreed to consider this writeoff over a short period of years as a proper charge before arriving at the fair rate of return to which the utility is entitled.

Of course, when a reactor plant is built entirely at the utility company's expense, the capital cost of the plant should be included in the rate base on which the utility is entitled to a fair rate of return.

Therefore, with either method, the part of the cost that is unusual in the construction and operation of nuclear power plants is actually underwritten by the utility's customers. There is no doubt that the higher cost of nuclear power in the earlier years must be supported directly in that fashion or indirectly through taxes or Government borrowing. By 1965 we should, with our most diversified reactor construction program, have in operation about 1.5 million kilowatts of nuclear power. Certainly in that year the total installed capacity in steam and hydro plants should be close to 200 million kilowatts. The fact that less than 1% of the total capacity will be nuclear, combined with the fact that the nuclear effort is spread among all the more important utility companies in the United States, should give us assurance that, from a practical standpoint, the ultimate impact on the private electricity consumer of uneconomic nuclear power should not be felt.

As new nuclear plants will be built in the years to come, we cannot overstress the fact that obsolescence should not be feared by the financial institutions that will have to deal with the future financing needed. What is bound to happen is that nuclear power stations will be called upon to carry the base load in utility systems and the older, fully amortized conventional plants will be shifted in the load diagrams to carry the peak load. Past experience of utility companies shows that older and less efficient plants are not dismantled as long as they can be of service; they are called upon to carry the peak load. Needless to say, this is a happy state of affairs since nuclear power plants can be operated economically only at high load factors in order to spread the fixed charges for interest and depreciation among the largest possible number of kilowatthours of electrical energy.

Reactors for Ship Propulsion, Process Heat and Other Purposes

Reactors, of course, are being used as a source of propulsion for ships and will be used in space devices. As we have reported previously, ship propulsion will not become competitive until after competitive nuclear power has been achieved in land based reactors. Atomic powered merchant ships and oil tankers are still quite a few years away.

In the peacetime applications of ship propulsion, we can point to the NS Savannah, the U. S. cargo and passenger ship, launched last year and which is now in its final construction phase. Also in this same category is the Soviet icebreaker Lenin.

This year also, the atomic powered aircraft carrier Enterprise was launched. This ship will be propelled by eight atomic reactors. In addition, our atomic Navy today includes either built or authorized, 26 attack submarines, 14 polaris missile submarines, one radar picket submarine, one guided missile submarine, one guided missile destroyer. We need not here point

PROGRESS CHART: U. S. Nuclear Power Projects as of Sept. 1, 1960

(Data extracted from chart issued and copyrighted by Atomic Industrial Forum, Inc., 3 E. 54th St., New York 22, N. Y.)

Power Reactor Projects in United States

Owner and/or Operator, Location	Power Level (Net Electrical Kilowatts)	Power Level (Thermal Kilowatts)	Completion or Scheduled Completion Date
In Operation—			
Commonwealth Edison Co., Dresden, Ill.	180,000	626,000	1959
Yankee Atomic Electric Co., Rowe, Mass.	110,000	392,000	1960
AEC; Duquesne Light Co., Shippingport, Pa.	60-100,000	230,000-?	1957
AEC; Atomics International, Santa Susana, Calif.	6,000	50,000	1957
AEC; Argonne National Laboratory, Argonne, Ill.	5,000	100,000	1956
General Electric Co., Vallecitos, Calif.	5,000	30,000	1957
AEC; Alco Products, Inc., Fort Belvoir, Va.	1,855	10,000	1957
AEC; Oak Ridge National Laboratory, Oak Ridge, Tenn.	300	5,200	1957
AEC; Combustion Engineering, Inc., National Reactor Testing Station, Idaho	200	3,000	1958
AEC; Argonne National Laboratory, NRTS, Idaho	200	1,400	1957
Under Construction—			
Consolidated Edison Co., Indian Point, N. Y.	151,000	585,000	1961
Power Reactor Development Co., Logoona Beach, Mich.	100,000	300,000	1961
AEC; Consumers Public Power District of Nebraska, Hallam, Neb.	75,000	245,000	1962
Northern States Power Co., Sioux Falls, S. D.	62,000	203,000	1962
Pacific Gas & Electric Co., Humboldt Bay, Calif.	57,000	165-197,000	1962-63
Consumers Power Co., Big Rock Point, Mich.	50,000	240,000	1962
AEC; Oak Ridge National Laboratory, Oak Ridge, Tenn.	22,300	84,300	1962
AEC; Rural Cooperative Power Association, Elk River, Minn.	22,000	73,000	1960
AEC; Argonne National Laboratory, NRTS, Idaho	20,000	62,500	1960
Carolinas Virginia Nuclear Power Associates, Paar Shoals, S. C.	17,000	60,500	1962
AEC and Puerto Water Resources Authority, Rincon, P. R.	16,300	50,000	1962
AEC; City of Piqua, Piqua, Ohio	11,400	45,500	1961
Saxton Nuclear Experimental Corp., Saxton, Pa.	5,000	20,000	1961
Army Corps of Engineers, Fort Greely, Alaska	1,700	20,000	1960
Army Corps of Engineers, Camp Century, Greenland	1,500	*10,000	1960
AEC & Air Force, Sundance, Wyo.	1,000	†3,000	1961
Under Pre-Construction Development—			
Philadelphia Electric Co., Peach Bottom, Pa.	28,500	92,000	1962-63
Atomic Energy Commission, McMurdo Sound, Antarctica	1,500	------	1962
Plans Announced—			
Southern California Edison, not selected	360,000	1,140,000	1965
AEC; Los Angeles-Pasadena, Los Angeles-Pasadena, Calif.	50,000	174,000	1963
East Central Nuclear Group, Inc.-Florida West Coast Nuclear Group, Pierce, Fla.	46,000	173,000	1964-65
Atomic Energy Commission, not selected	16,500	60,000	1962
Atomic Energy Commission, NRTS, Idaho	330	------	1961

United States Power Reactor Projects Abroad

Owner and/or Operator, Location	Power Level (Net Electrical Kilowatts)	Power Level (Thermal Kilowatts)	Completion or Scheduled Completion Date
Under Construction—			
Societa Elettronucleare Nazionale (SENN), Punta Fiume, Italy	230,000	‡	1963
Rheinisch-Westfalisches Elektrizatswerk A.G. (RWE), Kahl, West Germany	15,000	60,400	1960
Centre d'Etudes de l'Energie Nucleaire, Mol, Belgium	11,500	43,000	1960
Under Contract—			
Societa Elettronucleare Italiana (SELNI), Trino, Italy	160,000	615,000	1963
Under Contract Negotiation—			
Societe d'Energie Nucleaire Franco-Belge des Ardennes (SENA), Givet, France	242,000	720,000	1965
Japan Atomic Energy Research Institute, Tokai-Mura, Japan	12,500	46,700	1962

*Slightly under. †Approximate. ‡Not announced.

to the incredible achievements of the Nautilus, the Skipjack, the Triton, the George Washington, and the Sea Dragon submarines. The atom at sea has certainly amply demonstrated the feasibility and flexibility of atomic reactors.

In the field of process heat, low temperature applications of atomic reactors offer increasing promise in competition with conventional fuels. Such low-temperature process-heat applications consume or use about twice as much fossil fuel as is used to generate electricity. High temperature process heat applications so far require temperatures in excess of those obtained in reactors, but these applications should become important in the future as we learn to go to higher temperatures in reactors.

Chemical Reprocessing of Spent Nuclear Fuel Elements

In last year's report, we pointed to the increasing interest generated by the promise of a private industry approach to chemical reprocessing. With several important nuclear power plants already in operation or about to start operating in the next year or so, the hopes of private industry and of the AEC are that a decision by private industry to build a nuclear fuel reprocessing plant may be reached soon.

So far, Commonwealth Edison Company and Yankee Atomic Electric Company, the only two private groups which began to operate nuclear plants, are not inclined to let a private company be established for the purpose of handling their irradiated fuel. One of the reasons is that reprocessing done in a private facility would be more expensive than if done by the AEC. Unit costs in a reprocessing plant largely depend, of course, on the load factor of such a plant. Yet, if we are to have a truly private atomic energy industry in the future, it will be necessary that reprocessing be effected in private plants.

In the meantime, irradiated fuels are received for reprocessing by the AEC at the following facilities: Chemical Processing Plant, National Reactor Testing Station, Arco, Idaho; Oak Ridge National Laboratory, Oak Ridge, Tenn.; Savannah River Plant, Aiken, S. C.; and the Hanford Works, Richland, Wash. At the present time, the AEC is considering the concentration of industrial work at two sites, Savannah River and Idaho Falls, instead of all four sites mentioned above. With more power reactors due to start operations in the near future, the expansion of AEC's own reprocessing facilities is dependent to a degree on the decision by private industry to move ahead diligently in this field.

In Europe, the Convention creating the "European Company for the Chemical Processing of Irradiated Fuel" or "Eurochemic" was concluded in December, 1957 by 12 European Countries. Today, the shareholders come from 13 countries.[2] The company was created under the auspices of O. E. E. C. countries. It takes the novel legal form of an international company, owned by governments, public or semi-public bodies and private companies. The latter own about 20% of the stock. Construction of the Plant started last summer at Mol, Belgium. It will be the world's first international-owned nuclear fuel reprocessing facility. It will process the fuel elements used in the atomic reactors of the participating countries.

2 Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Turkey.

The International Atomic Energy Agency

The International Atomic Energy Agency held its Fourth Annual Assembly at its headquarters in Vienna in September of this year. The two-week Congress was attended by delegates from 71 nations, including the heads of 17 national atomic energy commissions. On behalf of the United States, John A. McCone agreed to place four of its reactor facilities under the provisionally approved safeguards system of the Agency. These are the graphite research reactor and medical research reactor at the Brookhaven National Laboratory, the experimental boiling water reactor at Argonne National Lab, and the organic-cooled and moderated power reactor presently being built by the AEC at Piqua, Ohio. The purpose of this offer is, of course, to demonstrate the flexibility and workability of the Agency's safeguards system.

The Agency's interest in moderate size power reactors is well known in view of their possible application to the underdeveloped nations. However, the indications are clearer than ever that such plants are still out of the question in such areas. Small nuclear plants today would be so costly to build that savings on fuel could not possibly be justified. Diesel plants in remote areas of the world will not be superseded by the atom for quite a number of years.

The Agency's work continues to progress satisfactorily. Certainly the IAEA in due time should become a more effective channel for giving atomic assistance to the nations in need of it than the bilateral agreements signed between our country and some 40 other nations.

Radioactive Isotopes and Radiation

In addition to the vast field of applications of radioactive isotopes in which many companies are engaged, there is a vastly increased interest in radiation effects. A great number of industrial companies as well as the AEC have been investigating the application of radiation in a variety of fields such as food preservation, drug and surgical products, sterilization, plastic cross-linking, rubber vulcanization, petroleum cracking and treatment of semiconductor materials.

Whereas competitive atomic energy is still a few years away, revolutionary applications of radiation will become of wide commercial use in the near future. Today, three manufacturers: High Voltage Engineering Corporation, Applied Radiation Corporation, and Radiation Dynamics, Inc. offer high power electron-accelerators for irradiation purposes. The successful appearance this year of the latter company in the accelerator market can be taken as an indication of the marked increased interest in radiation effects.

Conclusions

In contrast to the initial glamour of atomic energy a few years ago, the atom has now settled down to the task of giving us practical answers. Much progress has been achieved this year, and we are well on our way towards commercial goals. All indications are that the atom is becoming increasingly important in all industrial fields. Its impact can but increase with the years. Some applications, particularly in the radiation field, will acquire a commercial value in the near future. In fact, some already have. However, when we look at the atom as a source of energy, this application is still a few years away. Only continued hard work both from a scientific and technical standpoint can bring us to the threshold of competitive atomic energy.

Our dynamic nuclear program is a clear demonstration of the strength and vitality of the United States.

Respectfully submitted,
NUCLEAR INDUSTRY COMMITTEE

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Franklin B. Schmick
H. M. Byllesby and Company, Incorporated, Chicago, Ill.

Mark Sullivan, Jr.
Auchincloss, Parker & Redpath
Washington, D. C.

Wheelock Whitney, Jr.
J. M. Dain & Co., Inc.
Minneapolis, Minn.

To Be Leavitt Partner

On Dec. 22, Leavitt & Co., 19 Rector St., New York City, members of the New York Stock Exchange will admit Robert B. Ritter to general partnership and Abraham Savedoff to limited partnership.

Stern & Kennedy to Admit

Stern & Kennedy, 29 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Herbert M. Aibel, member of the Exchange to partnership in the firm.

Report of IBA Public Utility Securities Committee

Continued from page 35

in connection with the Wisconsin Power & Light Company, since it decided that earnings above 6%, which the Company was experiencing were excessive.

In Kansas, the Commission in the Southwestern Bell Telephone rate case, stated that it did not consider fair value despite the requirement of the state law. The Commission said that everyone could not agree what fair value should be but original cost rate base was a specific value. On this criterion, the telephone company was granted a 5.94% return on net original cost but this decision is now being appealed to the Courts.

In New Mexico, we called your attention at the Spring Convention this year to the unfairness of a regulatory development involving the Southern Union Gas Company. We took active participation in this matter by communicating with the Governor of the State and the three Commissioners of New Mexico. Nothing new has yet developed since the case was taken to the Court on appeal.

Investors Penalized

In North Carolina early this year the Utilities Commission issued an adverse decision in the Piedmont Natural Gas Company case, which was both detrimental to the company and to its security holders. There the Company is faced with substantial construction needs and financing for it and this must be done in the environment of an unfortunately strict verdict by the Commission. The regulatory body limited this relatively small growing gas company to a 6% return on a fair value computed at less than 6% above net original cost, despite the fact that its capitalization is near the maximum legal level beyond which no dividends may be paid on the Common Stock. Under such circumstances the sale of additional preferred or Common Stock is made virtually impractical.

The Commission also made a rather alarming statement to the effect that it was not seriously concerned with the prospect of the market value of the Common Stock declining until it approached its book value. This statement was made despite the fact that it approved the sale of Common Stock on several occasions to the public in excess of the book value, which was $5.25 at the date of this decision, against a market price of $15. The Commission furthermore lays emphasis on the par value of the stock, stating that the dividend paid is 100% of that figure and equal to 10% on the book value and reaches the conclusion that it cannot recognize such a high dividend rate. In terms of market value the yield is only 3½%.

"Flow-Through" Concept Adopted in Many States

A number of Commissions are resorting to the accounting technique of "flow-through" earnings to which we alluded in our meeting at White Sulphur. In short, flow - through earnings simply mean that companies that use rapid depreciation and thereby obtain tax benefits are required to pass such savings along to the rate payers rather than the stockholders. In New York, for example, where the Commission has supposedly liberalized its rate of return level, it has taken advantage of this concept. It granted the Niagara Mohawk Power Company increases to produce a 6.3% rate of return on original cost. However, flow - through accounting comprised three-fourth's of 1%, so that in fact the Commission allowed the company only 5½% on the standardized procedure of normalized earnings. We also find in New Jersey the Commission granted the Public Service Electric & Gas Company increases to produce a 6.25% rate of return but in it there was taken into account flow-through earnings which in effect reduce the rate of return to about 5.8%.

The "flow-through" method of reporting earnings has become very popular among state commissions this year. Joining the states of New York, Washington and Oregon to name a few of the larger states already adhering to this principle, California, Colorado, Ohio, New Jersey and North Dakota have embraced the "flow-through" procedure. In several other states companies have voluntary adopted this method. However, the Federal Power Commission and several other state commissions such as those of Illinois, Indiana and Georgia have taken recent stands in favor of normalization as against the "flow-through" method.

As can be seen, the flow-through method has caused a somewhat chaotic condition affecting not only the companies themselves but the philosophies of regulatory authorities and created confusion for the investor. While it would appear that there is nothing that can be done about this situation, it is the opinion in some informed quarters that the matter of accelerated depreciation for utility companies may be reconsidered by the government.

The "Show Cause Orders" Technique

Another development this year in the regulatory field at the local level has been the technique of state commissions ordering show cause orders on rate reductions. For example, in Pennsylvania the Commission was involved in state-wide investigation of utility rates on its own motion and ordered about 10 utility companies to reduce rates. Eight companies reduced rates to avoid litigation, but the Pennsylvania Power Co. refused to do so and will be involved in formal rate proceedings.

In Florida the Commission ordered reduction of rates on the basis of its own investigations, in the case of Florida Power & Light Co. and the Southern Bell Telephone Co. The Commission believed the companies were earning excessively and formal hearings in the Florida Power & Light case have already commenced. In fairness to the Commission, it must be said that they recognize their obligation to rate payers as well as the investing public. The following is an excerpt from their show-cause order.

"While we do not intend to permit public utilities to charge exorbitant rates and enjoy excessive earnings at the public's expense, we are committed to the philosophy of giving to the public utilities under the Commission's jurisdiction an opportunity to earn a fair return on the reasonable value of their property which is dedicated to the public service. We do not believe that public utilities in Florida can fulfill their duty to the public by providing efficient and increasing services to a growing state if such utilities are regulated on a 'skin and bones' earnings basis. During the next five years, Florida's public utilities will require hundreds of millions of dollars in new money in order to keep pace with the growth of this state and meet the demands of present and prospective industrial, commercial, and domestic customers. This money cannot be obtained unless prospective investors feel reasonably secure in their investment. The failure of our public utilities to meet the challenge of the next five years would be nothing less than catastrophic for this great state and its continued growth and prosperity."

In still another jurisdiction, the Wisconsin Power & Light Co. was ordered to reduce rates when after informal discussion it was determined the company was earning in excess of 6%.

While we recognize the public obligation of the State Commissions to see that the rates of return experienced by companies under their jurisdiction have a reasonable relationship to their investment in property, it is unfortunate to note that regulatory authorities seem more and more to resort to pure arithmetic calculations in making and reaching their conclusions. Such factors as prevailing low rates, aggressive and capable management, excellent service and uncontrolled higher costs for capital and operating expenditures seem to have only meager weighting in their deliberations.

New Threat to Private Utilities

There has come to our attention very recently, a comparatively unknown utility field, the natural gas distribution systems owned and operated by municipalities and public authorities. This is a segment of the natural gas industry which has grown quietly but considerably in the last 10 years, particularly in the Southeast and Southwestern regions of the country. There seem to be important problems inherent in their operations and because of their possible impact on privately-held natural gas companies, this field of operation has been called to the Committee's attention.

We understand that the American Gas Association and the Southern Gas Association in combination with private companies will endeavor to make a nationwide study of these natural gas systems and their problems and we shall endeavor to follow it and be of some assistance.

Utility Stocks Acting Well

In summary, it is refreshing to observe that the utility companies have performed well earning-wise in 1960 despite the unfortunate experience of many other companies in the national economy that have suffered substantial contraction of business and profits. While the market as a whole has declined considerably from its levels of last year, utility stocks have maintained their level quite well.

The Dow-Jones industrial stock average stood at 679.36 at Dec. 31, 1959, and has declined approximately 75 points to date in 1960, or 11%. On the other hand, the Dow-Jones utility stock average was at 87.83 at Dec. 31, 1959, and has risen over 6 points this year, or approximately 7%.

In view of the national political change, it is possible that important developments may occur affecting the future of the utility industry. We shall follow them closely and report to you at our next meeting.

Respectfully submitted,

PUBLIC UTILITY SECURITIES COMMITTEE

Carl C. Brown, Chairman
Dean Witter & Co.
New York, N. Y.

William N. Bannard III
American Securities Corporation
New York, N. Y.

George deB. Bell
Drexel & Co.
Philadelphia, Pa.

Hunter Breckenridge
McCourtney, Breckenridge & Company, St. Louis, Mo.

John H. Brooks
Putnam & Co.
Hartford, Conn.

Carl H. Doerge
Wm. J. Mericka & Co., Inc.
Cleveland, Ohio

C. Pharr Duson
Rotan, Mosle & Co.
Houston, Texas

W. Ronald Gill
G. H. Walker & Co.
Providence, R. I.

Charles F. Glore, Jr.
Glore, Forgan & Co.
Chicago, Ill.

Willard R. Hendrix
Equitable Securities Corporation
Nashville, Tenn.

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

Richard W. Jones
Mitchum, Jones & Templeton
Los Angeles, Calif.

Milton F. Lewis
A. G. Becker & Co. Incorporated
New York, N. Y.

George L. Perin
The First Boston Corporation
New York, N. Y.

Albert E. Schwabacher, Jr.
Schwabacher & Co.
San Francisco, Calif.

G. Edward Slezak
The Milwaukee Company
Milwaukee, Wisc.

J. Raymond Smith
Weeden & Co., Inc.
New York, N. Y.

Carl Stolle
G. A. Saxton & Co., Inc.
New York, N. Y.

George S. Writer
Peters, Writer & Christensen, Inc., Denver, Colo.

With Daniel Reeves

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Billy B. Smith has become connected with Daniel Reeves & Co., 398 S. Beverly Drive, members of the New York and Pacific Coast Stock Exchanges. He was formerly with Mitchum, Jones & Templeton.

Two With Arthur Hogan

(Special to THE FINANCIAL CHRONICLE)

BURBANK, Calif. — Meyer Katz and Herman Winters have joined the staff of Arthur B. Hogan, Inc., 4404 Riverside Drive, members of the Pacific Coast Stock Exchange. Both were previously with Bache & Co. and Binder & Co., Inc.

Kaufmann, Alsberg Admit

Kaufmann, Alsberg & Company, 61 Broadway, New York City, member of the New York Stock Exchange, on Jan. 1 will admit Ben Schanzer to partnership.

Report of IBA Foreign Investment Committee

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tensions in the Cold War and the reactions of international financial markets to our continuing unfavorable dollar balance of payments position have all tended to increase the difficulties in expanding private foreign investment for the present.

(4) On the other hand there is much evidence that over the longer term certain basic factors are developing on a basis favorable to private foreign investment and that this field of activity represents one of the relatively new and potentially expanding frontiers for our business in the 1960s:

There is a growing recognition that the danger of loss through war has been reduced or at least equalized as between the United States and other nations of the Free World;

The economies of many nations have been enormously strengthened and the growth rate in economic activity is greater in many countries than in the United States;

There has been a tremendous increase in the convertibility of foreign currencies reflecting the increased strength of such currencies and the economies they serve;

The able work of the World Bank, the International Monetary Fund and other public agencies have developed a growing understanding of the technical, financial and political programs and policies which countries must develop as a prerequisite to attracting private capital;

An increasing number of investment bankers and their clients, including more recently certain of our large institutional lenders, are obtaining a better knowledge of and a greater interest in the possibilities as well as the problems involved in foreign investment.

We recognize of course, that there are certain areas of economic development and many nations in which public funds must be used and where, for the present at least, private capital is not ready to venture in substantial amounts.

We believe most strongly, however, that it is a basic objective of both our government and the members of our Association to foster and develop our "free economy" concept throughout the world. We believe that private capital investment is the cornerstone upon which free economy is built. As private investment bankers serving the largest private capital market in the Free World it is, therefore, our obligation to do all we can to promote private foreign investment. In fulfilling this obligation we may also find that foreign investment represents a new "growth industry" for our business.

In closing this report I should like to thank the members of the committee and the members of our IBA staff who have contributed so generously of their time and knowledge during the past year.

Respectfully submitted,

FOREIGN INVESTMENT COMMITTEE

Arthur L. Wadsworth, Chairman
Dillon, Read & Co., Inc.
New York, N. Y.

Eugene R. Black, Jr.
Lazard Freres & Co.
New York, N. Y.

Robert H. Craft
Paribas Corporation
New York, N. Y.

Maurits E. Edersheim
Burnham & Company
New York, N. Y.

Walter A. Everitt
Model, Roland & Stone
New York, N. Y.

William N. L. Hutchinson, Jr.
Mitchum, Jones & Templeton
San Francisco, Calif.

Joseph T. Johnson
The Milwaukee Company
Milwaukee, Wis.

Andrew N. Overby
The First Boston Corp.
New York, N. Y.

Henry A. J. Ralph
Bank of America, N.T. & S.A.
New York, N. Y.

Clifford R. Rohrberg
Morgan Guaranty Trust Co.
New York, N. Y.

Irving H. Sherman
A. G. Becker & Co. Inc.
New York, N. Y.

Henry Stravitz
Swiss American Corp.
New York, N. Y.

J. Emerson Thors
Kuhn, Loeb & Co.
New York, N. Y.

K. P. Tsolainos
Baker, Weeks & Co.
New York, N. Y.

John M. Young
Morgan Stanley & Co.
New York, N. Y.

APPENDIX A

Report of the Washington Sub-Committee

The Sub-Committee was appointed on June 7, 1960. Its members consist of: Robert Craft; Andrew Overby; Emerson Thors; John Young; Arthur L. Wadsworth, Ex officio; and Murray Hanson, IBA Staff Representative.

After several attempts to arrange a mutually satisfactory time for meetings in Washington and preliminary discussions regarding the best way to organize our planned discussions with the Washington agencies, a full day of meetings in Washington was arranged on Nov. 1, 1960.

All members of the Committee

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except for John Young who was in Europe made the trip to Washington for these meetings. In addition we were fortunate in having our incoming President, George Newton, with us at all meetings.

Meetings were held with representatives of the following agencies:

World Bank; Inter - American Development Bank; Export-Import Bank; State Department and related agencies such as Development Loan Fund and International Cooperation Administration; and Treasury Department.

We received the utmost cooperation from these agencies in arranging our schedule. We were fortunate in meeting with heads of each agency so far as foreign investment activities of such agencies are concerned including: Mr. Eugene Black, President of the World Bank; Mr. Felipe Herrera, President and Mr. Robert Cutler, U. S. Executive Director of the Inter-American Development Bank; Mr. Samuel Waugh, President of the Export-Import Bank; Mr. Douglas Dillon, Under Secretary and Mr. Edwin Martin, Assistant Secretary for Economic Affairs of the State Department; and Mr. T. Graydon Upton, Assistant Secretary of the Treasury.

In each case Mr. Wadsworth explained the purpose of the Foreign Investment Committee, its Washington Sub-Committee and the reason for these meetings in Washington. He pointed out that the Committee had been created to serve as the point of contact between the private investment banking industry in the United States and the responsible public agencies, both national and international, for consideration of problems, policies and developments of mutual interest in the field of private foreign investment. He explained that the principal purpose of these initial meetings was to lay the groundwork for more constructive cooperation in the future.

Progress Report

The results of these discussions may be summarized as follows:

(1) Most of the agencies have authoritiy to guarantee portfolio investments but this authority has not been used in the past. The International Cooperation Administration guarantees against expropriation, war risk and currency convertibility have been increasingly used on direct investments by American industry and could be applied to new portfolio investments. The State Department recognizes the possible advantages of encouraging private investment in the underdeveloped nations by utilizing the very broad guarantee authority of the Development Loan Fund. It was emphasized by the State Department representatives that the experience of investment bankers could be of great help to the Development Loan Fund in developing practical working arrangements and that the Development Loan Fund would be receptive because their available funds could be used to greater advantage utilizing guarantees which requires only a 50% reserve.

We emphasized that we would be glad to work with them in developing a set of policies or regulations which could be promulgated so that investment bankers would know what their possibilities were in coming to the Development Loan Fund for help in financing projects in underdeveloped countries. Representatives of the Development Loan Fund indicated they had very broad authority (guarantees could cover all risks and apply to all or any part of the capital invested), but that they believed it better, at this stage at least, not to attempt to limit themselves by detailed regulations. They agreed that an authoritative statement of their authority and desire to use guarantees, which could be given wide distribution publicly and specifically to the investment banking industry, should be made.

They have noted, however, that it is necessary to assure that the Development Loan Fund guarantee authority is utilized in a manner which does not interfere with the marketing of long-term securities of the United States Government, and have indicated that the means of achieving this objective is now under review. We offered to be helpful in any way we could. They urged us to come to them with specific projects and pointed out that the "ideal project" was one: (1) located in a friendly underdeveloped country; (2) which would benefit the economy of that country; (3) where the equity capital was to be furnished at least 50% locally and the balance from U. S. private sources; and (4) the senior capital could be supplied partly in local currency (which the Development Loan Fund could supply) and the balance in dollars where the guarantee could be used to get private U. S. lenders to participate.

Representatives of the Development Loan Fund and the International Cooperation Administration requested more frequent meetings in the future to discuss the guarantee problem further and to take up other problems which they did not have time to raise with us at this meeting.

(2) The Inter-American Development Bank is now in operation and is hoping to announce its first loans early next year. It is ready to discuss financing of projects located in its member nations in Latin America. It has guarantee authority as well as direct funds for investment but, as it only commenced operations on Oct. 1, is still developing its policies and procedures. It will probably be a year or more before the Bank introduces its credit in our financial markets by the sale of its bonds, but it will need the help of the investment banking fraternity in underwriting and selling its bonds when the need for additional funds materializes.

Meanwhile, it requests the help of our Association in obtaining approval of its bonds as legal investments in the various states in the same way in which the World Bank obtained similar approvals for its bonds some years ago. Approval of Inter-American Development Bank bonds as legal investments has already been obtained in the State of New York, and an appropriate bill to make such bonds legal investments for Massachusetts savings banks has recently been introduced in the Massachusetts Legislature by the State Bank Commissioner.

One of the important functions of the Export-Import Bank is to loan medium and long-term funds to assist American private industry in its foreign trade. It is directed by law to cooperate and not compete with private capital. Whereas Eximbank has extended substantial medium-term credits at the request of and in participation with U. S. commercial banks, its activities with investment bankers have been relatively limited. Eximbank wants to establish a closer relationship and believes, as do we, that this can be accomplished through more frequent meetings back and forth.

We have felt that the Bank's past policies have discouraged the payment of fees to investment bankers when Eximbank financing is involved. Some of our members have also felt that the Bank has granted more favorable rates than were available in the private market. It was pointed out by one official that the Bank does not object to reasonable fees for investment bankers, nor to any other competent advisers, in putting together a package to finance a foreign project. It was also pointed out that Eximbank does not have a fixed rate and is inclined to accept the private market rate when private capital initiates the financing. It was generally agreed that closer cooperation was desirable and could be beneficial to American industry, the investment banking fraternity, and Export-Import Bank.

(4) The World Bank feels that more could be done by our industry in helping develop local capital markets in less developed nations. This is a necessary first step to foreign investment. They have been using representatives of the World Bank to do some work along these lines but feel our industry could make a real contribution that would be of long range benefit if we helped such work by either creating a separate corporation which could be employed by foreign nations to render technical service in this field or by making men available on a temporary basis to an organization which could do the work.

It was pointed out that if such an organization should be set up to give technical financial advice, it would afford a fine training facility for the younger men in our business who would like to become better informed in the field of foreign investments. It was also pointed out that if such an organization were available, the Bank and other international financial agencies could recommend that the less developed countries use it, whereas at the moment they do not like to recommend an individual investment banking firm as such an advisor.

It was the unanimous opinion of the members of the Sub-Committee that these meetings had been very worthwhile and that regular meetings should be planned in the future at least twice a year. In addition, we believe that continuing work on such matters as the development of procedures for utilizing the guarantee authority of the Development Loan Fund would be mutually beneficial to our industry and the government agencies involved.

TABLE I

Purchases of Foreign Securities by U. S. Investors*

($ Millions)

Year	Stocks Purchases Gross	Stocks Purchases Net	Bonds Purchases Gross	Bonds Purchases Net	Bonds and Stocks Purchases Gross	Bonds and Stocks Purchases Net
1946	65.6	0.4	490.4	—265.5	556.1	—261.1
1947	42.6	—14.6	634.3	— 24.5	676.8	— 39.0
1948	96.7	15.0	291.4	79.8	388.2	94.8
1949	70.8	—18.0	311.5	— 9.8	382.3	— 27.8
1950	198.2	24.4	710.2	121.0	908.4	145.4
1951	348.7	76.4	801.0	300.6	1,149.7	377.0
1952	329.6	35.8	677.4	182.1	1,007.0	217.9
1953	303.4	— 6.8	621.5	79.0	924.9	72.2
1954	644.9	251.6	841.3	48.8	1,486.1	300.4
1955	877.9	214.3	509.4	—183.9	1,387.3	30.4
1956	875.2	126.1	991.5	385.0	1,866.8	511.1
1957	621.9	29.1	1,392.0	693.1	2,014.0	722.1
1958	803.7	336.4	1,915.1	1.026.1	2,718.8	1,362.5
1959	803.8	237.7	1,457.6	512.0	2,261.5	749.7
†1960	393.7	37.1	933.2	442.6	1,326.9	479.7

Source: Treasury Bulletin. †January-August.

*The above data related to the total amount of money debited or credited to U. S. Accounts as the result of transactions in foreign securities, including Canadian securities. The gross purchases figures reflect both new and outstanding issues. The differences between the gross purchases and net purchases figures primarily reflect: (1) sales of foreign securities by U. S. investors to foreign investors; (2) redemption of foreign securities, either in the U. S. or abroad; and (3) purchases for sinking fund purposes.

The statistics cover only securities transactions (including transactions in the securities of international organizations, such as the World Bank). They do not include direct foreign investment by U. S. corporations, nor do they cover inter-company account transactions of U. S. non-banking firms with their own branches and subsidiaries abroad or with foreign parent companies. The statistics are based on monthly reports to the Treasury Department by banks and security dealers and brokers on transactions with foreigners for their own account and for the account of customers. They, therefore, do not cover transactions carried out entirely abroad in which a reporting institution is not involved.

The term "U. S. Investors" covers all institutions and individuals domiciled within the U. S. and its territories and possessions, with the exception of the following: (1) branches or agencies of foreign central banks; (2) other official institutions of foreign countries; and (3) international organizations.

TABLE II

Purchases of Foreign Securities by U. S. Investors — 1959*

($ Thousands)

Country of Seller	Gross Purchases Bonds	Gross Purchases Stocks	Gross Purchases Total	Net Purchases Bonds	Net Purchases Stocks	Net Purchases Total
Europe—						
Austria	348	21	369	135	2	137
Belgium	26,466	5,143	31,609	—7,030	—470	—7,500
Denmark	20,107	54	20,161	13,977	—347	13,630
Finland	1,304	----	1,304	—5,021	----	—5,021
France	61,755	58,057	119,812	51,931	41,534	93,465
Germany	35,439	29,609	65,048	—67,936	20,397	—47,539
Greece	1,511	132	1,643	484	68	552
Italy	39,918	4,085	44,003	32,556	2,819	35,375
Netherlands	31,279	121,508	152,787	—50,258	82,641	32,383
Norway	7,466	1,910	9,376	—1,909	460	—1,449
Portugal	526	387	913	—614	207	—407
Spain	296	906	1,202	103	636	739
Sweden	14,001	48	14,049	10,679	—36	10,643
Switzerland	50,654	53,839	104,493	—57,703	6,319	—51,384
Turkey	8	53	61	—365	29	—336
United Kingdom	30,889	137,170	168,059	—37,659	19,933	—17,726
Other Europe	14,476	986	15,462	—6,087	239	—5,848
Total Europe	336,443	413,908	750,351	—124,717	174,431	49,714
Canada	573,477	346,882	920,359	390,334	52,675	443,009
Latin America	45,667	30,427	76,094	—16,174	4,929	—11,245
Asia	126,611	9,327	135,938	91,109	5,545	96,654
Other Countries	38,471	3,272	41,743	14,345	670	15,015
International	336,966	1	336,967	157,139	—556	156,583
Grand Total	1,457,635	803,817	2,261,452	512,036	237,694	749,730

Source: Treasury Bulletin. *See footnote under Table I.

APPENDIX B

Report of the Information Sub-Committee

This Sub-Committee was appointed on June 7, 1960. Its members consist of: K. P. Tsolainos, Chairman; Maurits E. Edersheim; Clifford R. Rohrberg; and Frank Morris, IBA Staff Representative.

Introduction

The expanding economy in Western Europe during the last decade has drawn the attention of American investors to the securities of most of the western nations. Particularly the American investor has explored the investment opportunities of Western Germany, Holland, Belgium, France, and Italy on the continent, and, of course, Great Britain, in which country's enterprises we Americans have for decades been interested.

American goodwill and good neighbor policy set up the Marshall Plan and reinforced it in many instances by other aid, so that the war-devastated industry in these lands could be restored once more to a self-sustaining asset of the country involved. The rebuilding of the economy in Western Europe was accomplished to a great extent by the determination of the free people to regain their economic dignity. The results of this joint effort are a convincing proof that a free economy is the most productive and creative system in industry and business.

Nature of Investments

The American investments in Europe are twofold — those of American industry and those of the individual investor. Even before World War I some American industries had established business connections in Europe, either by establishing correspondent relations, buying a share in existing entities, or forming subsidiaries of their own. In recent years, however, the direct participation of American corporations in the European economy has been greatly expanded. During the current year, this tendency has been more pronounced than ever, as Europe's growth rate has been made more conspicuous by a slackening pace in our economy, and as competition has made American businessmen increasingly aware of Europe's advantage of low-cost labor. The earnings records of American businesses with subsidiaries abroad have made it clear that this is our best way of participating in the present prosperity and future growth of the European market.

The growing strength of West-

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Report of IBA Committee on Foreign Issues

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ern Europe attracts the individual American investor as well. Those who started buying Western European securities in the earlier stages of the recovery already have benefited substantially. In spite of the probability that further European recovery may slacken from the recent pace, it still seems likely that, for some years to come, average annual growth in Europe will exceed the rate of progress in America, and may well attract more private American money to European securities. A further impetus may be furnished by the hoped-for success of the common market and the possibility of establishing a wide area of European free trade. An additional favorable factor in the Western European economy is the effective co-operation of most of the governments in helping their industries to expand and prosper.

Caution Urged

A word of caution, however, should be given to the American investor. With few exceptions—mostly comprising a list of European securities actively bought and sold in New York—the American buyer must realize that the market of a European stock, especially in larger amounts, often becomes a problem. With the return of economic health and currency stability, the situation in the European stock exchange has already improved and will, in time, improve further.

The American investor should realize also that, except in rare instances, information on sales, earnings and financial position provided by the reports of European companies is inadequate and generally not comparable with the corresponding data on American corporations.

Frequently, reading the balance sheet of a European company gives no real assurance as to the actual facts of financial strength or earning power. Annual reports are tardy and interim reports a rarity. A correction of this situation is of the utmost importance if Europe is to attract ownership capital from America on the scale justified by its economic potential. Some real progress has been made in this area in the last few years, and there is every indication that further progress will be made, particularly in Germany and France.

Purchase and Sale of European Securities

Technically, European securities may be bought or sold by American investors almost as easily as domestic issues. Although the great majority is traded over the counter, several of the best known European stocks are listed on the American Stock Exchange and a few—like Royal Dutch Petroleum Co.—on the New York Stock Exchange.

Many European stocks (and all bonds) are obtainable in their original form only, but an increasing number may be acquired or sold in the form of American Depositary Receipts — or ADR's. This device was created in order to facilitate trading in foreign securities. An ADR is a negotiable receipt drawn by a U. S. bank certifying that a number of shares have been deposited with the bank's foreign branch or custodian for as long a period of time as the ADR remains outstanding. The bank acts only as depositary and transfer and dividend disbursing agent. The existence of ADR's has four distinct advantages:

(a) Dividends are paid in U. S. dollars and sent to the registered holder, much in the same manner as domestic shares;

(b) ADR's are readily negotiable and transferable in a form similar to domestic shares.

(c) In the event stockholders become entitled to rights to subscribe to additional shares (or to convertible bonds), U. S. holders may exercise their rights only if the new issue is registered with our SEC. Frequently, such is not the case, in which event the holder has no choice but to sell his rights. In most instances the depositary U. S. bank automatically sells the rights on behalf of the holder, thus protecting his interests;

(d) The procedure of transferring ADR's into the name of the estate of the deceased holder, is substantially the same as for domestic shares. This avoids foreign probate proceedings, which are sometimes complicated and costly.

Holders of ADR's of foreign shares may sell the underlying securities abroad, provided they surrender the ADR's to the depositary U. S. bank. In so doing they could avail themselves of existing price differences between the domestic and foreign market. In practice, however, this procedure is not suitable for individual investors, in view of the numerous technicalities.

Adapted to U. S. Market

In order to make a wider distribution possible, many ADR's have been adapted to our market. In many instances they represent only a fraction of the original underlying foreign shares or bonds and consequently their prices correspond more closely to a range acceptable to U. S. investors, who frequently will object to the purchase of one share at $2,500 but not to the purchase of a 100 shares at $25.

It is evident that ADR's are the preferable security form for the U. S. investor. However, as long as he is aware of relatively minor inconveniences connected with

TABLE III

FOREIGN DOLLAR BOND OFFERINGS (1946-1960 Inclusive)

(Offered by Investment Bankers)

YEAR	ISSUER	AMOUNT ($000)	AGGREGATE AMOUNT OF CONCURRENTLY OFFERED SHORT TERM DEBT ($000)	TERM	COUPON	DATE OF BONDS	DATE OF MATURITY	PAYMENT CLAUSE	PUBLIC OFFERING DATE OF PROSPECTUS	PUBLIC OFFERING PRICE	PUBLIC OFFERING YIELD TO MATURITY	CONCURRENT WORLD BANK FINANCING ($000)
1946	COMMONWEALTH OF AUSTRALIA	20,000	NONE	10 YRS.	3 1/4%	8-1-46	8-1-56	DOLLARS	8-28-46	100	3.25%	NONE
	COMMONWEALTH OF AUSTRALIA	25,000	NONE	20 YRS.	3 1/2	12-1-46	12-1-66	DOLLARS	12-16-46	98 1/2	3.61	NONE
	SYDNEY COUNTY COUNCIL (AUSTRALIA)	8,500	800	10 YRS.	3 1/2	1-1-47	1-1-57	DOLLARS	12-31-46	101	3.38	NONE
	TOTALS	53,500	800									
1947	COMMONWEALTH OF AUSTRALIA	45,000	NONE	15 YRS.	3 3/8	2-1-47	2-1-62	DOLLARS	2-19-47	99	3.46	NONE
	KINGDOM OF NORWAY	10,000	NONE	10 YRS.	3 1/2	4-1-47	4-1-57	DOLLARS	4-23-47	98 1/2	3.68	NONE
	KINGDOM OF NETHERLANDS	20,000	NONE	10 YRS.	3 3/4	5-1-47	5-1-57	DOLLARS	5-26-47	99	3.87	NONE
	COMMONWEALTH OF AUSTRALIA	19,000	NONE	10 YRS.	3 1/4	6-1-47	6-1-57	DOLLARS	6-16-47	97 1/2	3.55	NONE
	COMMONWEALTH OF AUSTRALIA	19,000	NONE	20 YRS.	3 1/2	6-1-47	6-1-67	DOLLARS	6-16-47	97 1/2	3.68	NONE
	TOTAL	113,000										
1954	COMMONWEALTH OF AUSTRALIA	25,000	NONE	15 YRS.	3 3/4	12-1-54	12-1-69	DOLLARS	12-8-54	99	3.84	NONE
	KINGDOM OF BELGIUM	15,000	15,000	10 YRS.	4	12-1-54	12-1-64	DOLLARS	12-15-54	99 1/2	4.06	20,000
	TOTALS	40,000	15,000									
1955	REPUBLIC OF CUBA	2,500	NONE	30 YRS.	4	12-1-53	12-1-83	DOLLARS	3-28-55	98	4.12	NONE
	KINGDOM OF NORWAY	7,500	7,500	10 YRS.	4 1/4	4-15-55	4-15-65	DOLLARS	4-19-55	100	4.25	25,000
	REPUBLIC OF CUBA	2,500	NONE	30 YRS.	4	12-1-53	12-1-83	DOLLARS	7-20-55	98	4.12	NONE
	REPUBLIC OF CUBA	3,000	NONE	30 YRS.	4	12-1-53	12-1-83	DOLLARS	9-29-55	98	4.12	NONE
	UNION OF SOUTH AFRICA	17,000	8,000	10 YRS.	4 1/4	12-1-55	12-1-65	(DOLLARS (SWISS FRANCS	11-29-55	98 1/2	4.44	25,200
	TOTALS	32,500	15,500									
1956	COMMONWEALTH OF AUSTRALIA	25,000	NONE	15 YRS.	4 1/2	6-15-56	6-15-71	DOLLARS	6-20-56	98 1/2	4.69	NONE
	TOTAL	25,000										
1957	COMMONWEALTH OF AUSTRALIA	20,000	NONE	15 YRS.	5 %	3-1-57	3-1-72	DOLLARS	3-13-57	100	5.00%	NONE
	HIGH AUTHORITY OF THE EUROPEAN COAL & STEEL COMMUNITY	25,000	10,000	18 YRS.	5 1/2	4-1-57	4-1-75	DOLLARS	4-9-57	100	5.50	NONE
	KINGDOM OF BELGIUM	30,000	NONE	15 YRS.	5 1/2	9-1-57	9-1-72	DOLLARS	9-10-57	97 1/2	5.75	50,000
	TOTALS	75,000	10,000									
1958	UNION OF SOUTH AFRICA	15,000	NONE	10 YRS.	5 1/2	1-1-58	1-1-68	DOLLARS	1-20-58	98 1/2	5.69	NONE
	CITY OF AMSTERDAM	15,000	NONE	15 YRS.	5 1/4	3-1-58	3-1-73	DOLLARS	2-27-58	99	5.35	NONE
	THE BELGIAN CONGO	15,000	NONE	15 YRS.	5 1/4	4-1-58	4-1-73	DOLLARS	4-15-58	98 1/2	5.40	NONE
	COMMONWEALTH OF AUSTRALIA	25,000	NONE	15 YRS.	4 3/4	5-1-58	5-1-73	DOLLARS	4-22-58	99	4.84	NONE
	CITY OF OSLO (NORWAY)	8,000	3,000	15 YRS.	5 1/2	6-1-58	6-1-73	DOLLARS	5-28-58	97 1/2	5.75	NONE
	FEDERATION OF RHODESIA & NYASALAND	6,000	NONE	15 YRS.	5 3/4	5-1-58	5-1-73	DOLLARS	6-16-58	97 1/2	6.00	19,000
	HIGH AUTHORITY OF THE EUROPEAN COAL & STEEL COMMUNITY	35,000	15,000	20 YRS.	5	7-1-58	7-1-78	DOLLARS	6-24-58	97	5.20	NONE
	KINGDOM OF NORWAY	17,500	NONE	15 YRS.	5 1/4	10-1-58	10-1-73	DOLLARS	9-23-58	98	5.45	NONE
	REPUBLIC OF PANAMA	16,800	NONE	40 YRS.	4.80	11-1-58	11-1-98	DOLLARS	10-21-58	101.17	4.73	NONE
	COMMONWEALTH OF AUSTRALIA	25,000	NONE	20 YRS.	5	11-1-58	11-1-78	DOLLARS	10-22-58	97 1/2	5.20	NONE
	GOVERNMENT OF NEW ZEALAND	10,000	NONE	12 YRS.	5 1/2	12-1-58	12-1-70	DOLLARS	11-19-58	99	5.62	NONE
	REPUBLIC OF AUSTRIA	25,000	NONE	15 YRS.	5 1/2	12-1-58	12-1-73	(DOLLARS (AUSTRIAN SCHILLINGS (POUNDS (W. GERMAN MARKS	12-3-58	96	5.91	25,000
	UNION OF SOUTH AFRICA	10,000	15,000	10 YRS.	5 1/2	12-1-58	12-1-68	DOLLARS	12-2-58	98 1/2	5.70	25,000
	TOTALS	223,300	33,000									
1959	KINGDOM OF DENMARK	20,000	NONE	15 YRS.	5 1/2%	2-1-59	2-1-74	DOLLARS	2-5-59	97 1/2	5.75%	20,000
	JAPAN	15,000	15,000	15 YRS.	5 1/2	1-15-59	1-15-74	DOLLARS	2-17-59	98	5.70	10,000
	GOVERNMENT OF JAMAICA	10,000	2,500	15 YRS.	5 3/4	3-1-59	3-1-74	DOLLARS	2-25-59	95 1/2	6.22	NONE
	KLM ROYAL DUTCH AIRLINES	18,500	NONE	20 YRS.	4 3/4	3-1-59	3-1-79	DOLLARS	3-10-59	100	4.75	NONE
	SOUTHERN ITALY DEVELOPMENT FUND	20,000	10,000	15 YRS.	5 1/2	5-1-59	5-1-74	DOLLARS	4-21-59	97 1/2	5.75	20,000
	MONTECATINI	10,000	NONE	20 YRS.	5 1/2	6-15-59	6-15-79	DOLLARS	6-30-59	100	5.50	NONE
	COMMONWEALTH OF AUSTRALIA	25,000	NONE	20 YRS.	5 1/2	9-15-59	9-15-79	DOLLARS	9-16-59	97	5.75	NONE
	CREDIT FONCIER DE FRANCE	50,000	NONE	20 YRS.	5 1/2	12-15-59	12-15-79	DOLLARS	12-8-59	95 1/2	5.89	NONE
	TOTALS	168,500	27,500									
1960	COMMONWEALTH OF AUSTRALIA	25,000	NONE	20 YRS.	5 1/4	4-15-60	4-15-80	DOLLARS	4-19-60	97 1/2	5.46	NONE
	CITY OF OSLO (NORWAY)	10,000	NONE	15 YRS.	5 3/4	6-15-60	6-15-75	(DOLLARS (POUNDS	6-21-60	99	5.85	NONE
	COMMONWEALTH OF AUSTRALIA	25,000	NONE	20 YRS.	5 1/4	10-1-60	10-1-80	DOLLARS	9-28-60	98	5.46	NONE
	HIGH AUTHORITY OF THE EUROPEAN COAL & STEEL COMMUNITY	25,000	10,000	20 YRS.	5 3/8	10-15-60	10-15-80	DOLLARS	10-18-60	97	5.63	NONE
	TOTALS	85,000	10,000									

original foreign shares, there exists no valid reason for limiting his investments abroad exclusively to issues of which ADR's exist. The principal differences may be summarized as follows. Most European stocks are in bearer form and have numbered coupons attached. When a dividend is declared, an announcement appears in the leading newspapers giving details as to what coupon is payable, where, when and in what amount. Unless the coupon is payable in the U. S. A. also, the holder has to send them for collection abroad and ask that the proceeds be remitted to him (or his designated agent) here. Most U. S. banks and brokers, however, have adequate facilities to collect such dividends or interest for their customers. In some cases the numbered coupons represent subscription rights or stock dividends ("bonus shares").

Where foreign shares are in registered form, the company's paying agent mails the dividend check to the registered holder. Unless the company has a paying agent in the U. S. A., the holder has to convert his foreign currency into dollars.

From a practical point of view, U. S. investors desiring to purchase or sell European Securities may simply place the order with their local broker. Unless he deals in foreign securities, he would place the order with one of the firms specializing in foreign securities. The investor, of course, may deal directly with the foreign securities broker. These specialists are primarily centered in New York City and frequently also act as dealers. They make a market in a great number of foreign issues which are actively traded and may supply the shares out of their own inventory, obtain them locally or purchase them abroad.

In looking over the ADR contained in this Report, the reader will notice that several well known foreign securities are missing because they are traded in the original form. Philips Incandescent Lamp Works, which is actively traded in many financial centers including New York, is available in denominations of F1, 50 par value, the unit on which the price in this country is based. The same applies to shares of leading French and English companies.

Summary of Tax Considerations

Several of the countries of Western Europe under discussion withhold taxes on dividends and/or interest accruing to U. S. residents at the source. The impact of such foreign taxes is greatly mitigated, however, for three significant reasons:

(a) under the terms of treaties for the avoidance of double taxation in effect between the U. S. and all seven European countries concerned, such foreign taxes are waived in some instances and greatly reduced in others;

(b) in several cases the U. S. holder may claim the tax or part thereof back from the foreign country provided he completes a standard form;

(c) under most circumstances, individual U. S. holders may take full credit for any foreign taxes withheld, when preparing their U. S. income tax returns.

The tax structure varies widely between the countries discussed in this Report. Accordingly, it is not very feasible to present a simple table, showing the rates at which taxes are withheld on foreign income without sacrificing either clarity or accuracy. However, so as to show the practical application of foreign withholding taxes on income, we are presenting in the table below the rates prevailing at present in the seven countries involved. In each case the figures show the effective rates which applies, after taking into account the portion of the foreign withholding tax which may be reclaimed.

EFFECTIVE WITHHOLDING TAX RATES
(November, 1960)*

Country	Dividends Percent	Interest Percent
Belgium	30	§15
France	15	12
Germany	25	None
Italy	†15	‡13.16
The Netherlands	None	None
Switzerland	15	5
United Kingdom	38¾	None

*The above rates are of course subject to change. §None on Govt. bonds. †Maximum. ‡Until June 30, 1962.

SUPPLEMENTARY MATERIAL (Based on information gathered by European Securities Markets Analysts, Inc.)

Capital Markets, Trading Practices and Regulations on Investments in: Belgium; France; Germany; Italy; The Netherlands; Switzerland; and United Kingdom.

BELGIUM

Domestic Capital Market

Self-financing of industry is very important, especially for small- and medium-sized firms for whom access to the capital market is difficult and expensive. Recourse to the capital market is inhibited by a tax system which favors reserved profits and penalizes distributed profits. Firms seeking funds on capital market often favor bonds as tax on interest is significantly lower than on dividends.

Nationalization: Primarily a free enterprise economy.

Private Share Ownership is widespread. Volume is small.

Information for Investors

Annual Reports provide minimum information on company affairs.

Brokers and Banks: The former do not publish information; banks are the main source.

Standard Reference: Le Recueil Financier Annuaire des Valeurs Cotees aux Bourses de Belgique.

Trading Practices

Stock Exchanges: Brussels the central exchange. Smaller ones in Antwerp, Grand, Liege.

Regulation: The Banking Commission, which is closely supervised by the Ministry of Finance, regulates the stock exchanges and issue of securities.

Trading: Brokers alone may trade on the exchanges. However, many banks receive orders from their clients and transmit them to brokers. Brokers act as agents of customers, placing orders with specialists, appointed by the exchange, who make a market in specific securities. Banks may not own securities of industrial or commercial companies.

Settlements: Majority are for cash. However, the futures permitting settlement fortnightly, offers a score or so of securities which may be purchased on **Margin;** permits a form of **Short-selling.**

Shares

Bearer mainly. **Stockholder Identity** is consequently difficult to determine. **Dividends:** Annual and interim. Par Value: Most

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shares have par value. **Quotation of shares and bonds** in francs.

Trading in Foreign Shares

A number of foreign securities are officially quoted.

Investment Regulations for U. S. Residents (Belgium-Luxembourg)

Effective rate of exchange is Francs 50: $1. There are two exchange markets, free and official, but this distinction has no real effect on capital transactions since the two markets are on a par.

Investments in securities may be made in dollars or externally convertible currencies through the free or the official market[1]; or in Belgian or Luxembourg francs through a Financial Account. Dividends and interest payments are unrestricted; they may be paid through the free or the official market. Proceeds from sale of securities may be taken out in dollars through the free market or francs may be deposited to a Financial Account. Belgian and foreign securities may be freely exported and imported.

FRANCE

Domestic Capital Market

Industry has relied heavily on **Self-financing,** favored by the tax system which imposes corporate tax on profits and then another tax on distributed profits.

Nationalization: Industry is largely privately controlled, although some industry is state owned; e.g. Renault, largest auto company. These services are mostly nationalized: Banks of deposit, insurance companies, shipping, railroads, air transport.

Private Share ownership is not widespread, but Speculative flotations, especially petroleum issues, have increased popular interest recently. **Volume** is limited.

Information for Investors

Annual Reports give incomplete picture of company affairs.

Brokers and Banks: Informal information available from Brokers. Banks' information often very general.

Standard Reference: Annuaire Desfosses.

Trading Practices

Stock Exchanges: Paris the central exchange. Others in Lyons, Marseille, Bordeaux, Toulouse, Lille, Nantes, Nancy.

Regulation: Ministry of Finance exercises general supervision over the exchanges, appointing the brokers.

Trading: Brokers must handle exchange transactions. However, banks often receive orders from clients and transmit them to brokers. There are no specialists. Brokers are agents of their customers, but in concluding transactions with other brokers, buy and sell for their own accounts. Commercial banks may buy securities and sell them to their clients.

Settlements are for cash, but fortnightly futures settlements permit a form of **Short-selling. Margins:** current practice is for investors to pay 30% cash and deposit as collateral with broker, the remaining 70% in securities. Large **Option** Market.

Shares

Bearer mainly. **Stockholder identity** is consequently difficult to determine. **Dividends** are paid annually, with interim dividends paid during the year deducted from the annual dividend. **Par value:** usually New Francs 50 per share. **Quotation of shares and bonds in francs.**

Trading in Foreign Shares

Many important international securities are officially quoted. Many others can be trades through arbitrageurs.

Investment Regulations for U. S Residents

The par value of the New Franc is 4.937: $1, but the French exchange market operates at rates fluctuating between a maximum of NF 4.974 and a minimum of NF 4.90 to the dollar.

Investments in French securities quoted on an exchange may be made in dollars, externally convertible currencies, or in francs through Foreign Accounts in convertible francs.[2] Dividends, interest and proceeds from sale of securities may be withdrawn freely. French and foreign securities may be freely imported and exported through an approved bank.

GERMANY

Domestic Capital Market

Postwar industrial investment has been over 40% **Self-financed,** dictated by a tax system which penalized distributed profits, making for deficiency of private investment capital. However, in line with the government's program to reform the capital market, the tax system was changed in 1958 to stimulate distribution of dividends; henceforth more capital should be available among private investors. Private savings are susbtantial.

Nationalization: Mainly free enterprise; railroads, some public utilities and a few individual firms (e. g. Volkswagen, Hibernia) are nationalized, although plans are being made to return these to private ownership.

Private Share Ownership is not widespread, private investors being limited to the relatively affluent. Mutual funds, however, are being fostered in an effort to broaden private investment, which is having some success.

Volume has expanded in recent years; no statistics are published; much trading is done outside the exchanges.

Information for Investors

Annual Reports are comprehensive by European standards.

Banks supply some information; often of limited value as the banks may be substantial shareholders in firms, or else have them as clients.

Standard Reference: Saling Aktienfuhrer.

Trading Practices

Stock Exchanges: Decentralized exchange system. Frankfurt the most active. Others in Duesseldorf, West Berlin, Hamburg, Hannover, Munich, Stuttgart, Gremen. Much arbitrage among these exchanges.

Regulation: State governments license and control exchanges.

1 Financial Accounts may be credited with proceeds of sales of dollars and externally convertible currencies in the free or official market; and may be exchanged into any currency at the free market rate.

2 Foreign Accounts in Convertible Francs are freely convertible into dollars or externally convertible currencies.

TABLE IV

FOREIGN STOCK OFFERINGS (1945-1960 Inclusive)

(Offered by Investment Bankers)

($1,000,000 or More Aggregate Offering Price)

YEAR	ISSUER	COUNTRY	TYPE OF SECURITY	AMOUNT ($000)	DATE OF PROSPECTUS	PRICE PER SHARE	NO. OF SHARES ISSUED
1945	INDUSTRIA ELECTRICA DE MEXICO	MEXICO	COMMON	4,542.5	10-8-45	$23.00	197,500
1947	VERTIENTES-CAMAGUEY SUGAR CO. OF CUBA	CUBA	COMMON	2,560.4	3-18-47	N.A.	144,250
1950	INDUSTRIA ELECTRICA DE MEXICO	MEXICO	PREFERRED	2,890	2-11-50	100.00	250,000
1951	VERTIENTES-CAMAGUEY SUGAR CO. OF CUBA	CUBA	COMMON	3,128.5	12-18-51	6.50	481,307
1952	ANGLO-AMERICAN CORP. OF SOUTH AFRICA	SOUTH AFRICA	COMMON	11,358.7	4-3-52	N.A.	8,000,000
1953	A. K. U.	HOLLAND	COMMON	4,275	12-2-53	23.75	180,000
1954	ISRAEL-MEDITERRANEAN PETROLEUM	PANAMA-ISRAEL	COMMON	1,875	10-27-54	N.A.	750,000
1954	PAN-ISRAEL OIL COMPANY, INC.	PAN-ISRAEL	COMMON	1,875	10-27-54	N.A.	750,000
1957	KLM ROYAL DUTCH AIRLINES	HOLLAND	COMMON	7,250	5-1-57	29.00	400,630
1958	ROYAL DUTCH PETROLEUM	HOLLAND	COMMON	228,068.6	1-17-58	30.00	7,602,285
1958	AMERICAN SOUTH-AFRICAN INVESTMENT CO.	SOUTH AFRICA	COMMON	33,600	9-17-58	28.00	1,200,000
1960	ELECTRONICS INTERNATIONAL CAPITAL, LIMITED	BERMUDA	COMMON	16,000	10-25-60	10.00	1,600,000

TABLE V

DOLLAR BOND OFFERING OF INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT (1951-1960 (Inclusive)

(Offered by Investment Bankers)

YEAR	ISSUER	AMOUNT ($000)	AGGREGATE AMOUNT OF CONCURRENTLY OFFERED SHORT TERM DEBT ($000)	TERM	COUPON	DATE OF BONDS	DATE OF MATURITY	PAYMENT CLAUSE	PUBLIC OFFERING DATE OF PROSPECTUS	PUBLIC OFFERING PRICE	PUBLIC OFFERING YIELD TO MATURITY	CONCURRENT WORLD BANK FINANCING ($000)
1947	INTERNAT'L BANK FOR RECON. & DEVEL.	150,000	100,000	25 YRS.	3 %	7-15-47	7-15-72	DOLLARS	7-15-47	100	3.00%	N.A.
	TOTALS	150,000	100,000									
1950	INTERNAT'L BANK FOR RECON. & DEVEL.	100,000	NONE	3-12 YRS.	2	2-15-50	2-15-53/62	DOLLARS	1-26-50	98	1.35-2.40	N.A.
	TOTAL	100,000										
1951	INTERNAT'L BANK FOR RECON. & DEVEL.	50,000	NONE	15 YRS.	3	3-1-51	3-1-76	DOLLARS	2-28-51	100	3.00	N.A.
	"	100,000	NONE	30 YRS.	3 1/4	10-1-51	10-1-81	DOLLARS	9-12-51	100	3.25	N.A.
	TOTAL	150,000										
1952	INTERNAT'L BANK FOR RECON. & DEVEL.	50,000	NONE	13 YRS.	3 3/8	5-15-52	5-15-65	DOLLARS	5-14-52	98 1/2	3.47	N.A.
	"	60,000	NONE	19 YRS.	3 1/2	10-15-52	10-15-71	DOLLARS	10-8-52	98	3.65	"
	TOTAL	110,000										
1953	INTERNAT'L BANK FOR RECON. & DEVEL.		75,000	3 YRS.	3	10-1-53	10-1-56	DOLLARS	9-29-53	99 5/8	3.13	N.A.
	TOTAL		75,000									
1954	INTERNAT'L BANK FOR RECON. & DEVEL.	100,000	NONE	15 YRS.	3 1/2	1-1-54	1-1-69	DOLLARS	1-11-54	100	3.50	N.A.
	TOTAL	100,000										
1957	INTERNAT'L BANK FOR RECON. & DEVEL.	100,000	NONE	20 YRS.	4 1/2	1-1-57	1-1-77	DOLLARS	1-10-57	100	4.50	N.A.
	"	100,000	NONE	21 YRS.	4 1/4	5-1-57	5-1-78	DOLLARS	4-17-57	98	4.40	"
	"	75,000	NONE	23 YRS.	4 3/4	11-1-57	11-1-80	DOLLARS	10-15-57	100	4.75	"
	TOTAL	275,000										
1958	INTERNAT'L BANK FOR RECON. & DEVEL.	150,000	NONE	21 YRS.	4 1/4	1-15-58	1-15-79	DOLLARS	1-6-58	99 1/2	4.29	N.A.
	"	150,000	NONE	10 YRS.	3 3/4	5-15-58	5-15-68	DOLLARS	5-5-58	100	3.75	"
	"	100,000	NONE	15 YRS.	4 1/2	12-1-58	12-1-73	DOLLARS	11-17-58	100	4.50	"
	TOTAL	400,000										
1960	INTERNAT'L BANK FOR RECON. & DEVEL.	125,000	NONE	25 YRS.	5	2-15-60	2-15-85	DOLLARS	2-9-60	100	5.00	N.A.
	TOTAL	125,000										

Ministry of Economics appoints exchange officials.

Trading: Banks and brokers are members of the exchanges. Commercial banks, rather than brokers, handle majority of exchange transactions. However, many stock purchases are not transacted on the exchanges but handled directly between the banks. Banks buy for their own account and are market's largest traders.

Settlements for cash. **Short-selling:** none. **Margin** buying prohibited.

Shares

Bearer mainly. **Stockholder identity** is consequently difficult to determine. **Dividends:** Annual. **Par value:** Mostly DM 100; but often DM 300, 500, 1,000, 10,000. Mining firms only may have no par shares. Shares may not be traded below par. **Quotation of shares and bonds** in percentage of par.

Trading in Foreign Shares

Many foreign securities are listed.

Investment Regulations for U. S. Residents

Rate of exchange is DM 4.2: $1.

Investments in securities may be made in dollars, externally convertible currencies, or marks. Dividends, interest and proceeds from sale of securities may be freely withdrawn. German and foreign securities may be exported and imported freely.

ITALY

Domestic Capital Market

Industry relies heavily on Self-financing; only the largest firms have recourse to the capital market, and mostly for bond issues.

Nationalization: Many firms and banks are controlled by state holding company. IRI; state oil and gas monopoly, ENI, is branching out into other fields. Most small and medium companies, and many large companies, are in private hands.

Private Share ownership is very limited. **Volume** is small but increasing, trading active.

Information for Investors

Annual Reports give minimum information on company affairs, except for those traded abroad, e.g. Fiat, Montecatini.

Banks and Brokers supply information on securities on request.

Standard Reference: Taccuino dell-Azionista; Annuario dell Societa per Azionista.

Trading Practices

Stock Exchanges: Milan is the most important, except for certain securities; e.g. price of Fiat in Turin controls price on other exchanges through arbitrage. Other exchanges in Bologna, Florence, Genova, Naples, Palermo, Rome, Trieste, Venice.

Regulation: Ministry of Treasury has control over exchanges. Brokers are public officials appointed by Government Decree after open competitions. Each exchange has a fixed number of brokers.

Trading: Brokers handle transactions. There are no specialists. Brokers act as agents of customers, but in concluding transactions with other brokers, buy and sell for their own account.

Settlement is presently mostly for cash. Transactions for future delivery and **Short-selling** are now limited since all transactions for future settlement must be reported to the government, a requirement designed to control tax evasion, and brokers and investors refrain from entering into such transactions. **Margin** ranges from 25 to 40%. Set by the Credit Committee headed by the Governor of the Bank of Italy.

Shares

Registered: Required by law. Bearer under special regional law for new capital in the regions of Sicily and Sardinia. **Dividends:** Interim and annual. **Par Value:** All shares must have par value. **Quotation of shares** in lire per share; **of bonds** in percentage of par.

Trading in Foreign Shares

No foreign securities are officially listed.

Investment Regulations for U. S. Residents

Effective rate of exchange is Lire 625: $1.

Investments in securities may be made in dollars, or externally convertible currencies through Capital Accounts.[3] Interest, dividends, and proceeds from sale of securities may be remitted freely through Capital Accounts. Italian and foreign securities may be freely imported and exported.

THE NETHERLANDS

Domestic Capital Market

Industry relies heavily on **self-financing.** Proposal for reduction of corporate tax is under consideration.

Nationalization: Primarily a free enterprise economy.

Private Share ownership is not widespread. **Volume** is fair, trading active. **Speculation** is frequent, but market is relatively thin so opportunities are limited, except in international shares; e.g. Philips, Unilever, etc.

Information for Investors

Annual Reports generally do not persent complete information, but in the case of an increasing number of firms whose securities are traded in New York more information has been made available.

Banks supply information of limited value.

Standard Reference: Van ss.

Trading Practices

Stock Exchanges: Amsterdam is the central exchange. Another in Rotterdam.

Regulation: Exchange under supervision of Ministry of Finance.

Trading: Banks and broker firms are members of the exchange. Brokers and banks carry out orders, usually placing them with jobber, who makes a market in a few securities.

Settlement for cash; also, month-end settlement which permits forward buying and **Short-selling.**

Shares

Bearer: Shares mainly. **Stockholder identity** is consequently difficult to determine. **Dividends** paid annually for the most part, but some pay interim and final dividends. **Par Value:** Law requires that par value be printed on shares. **Quotation of shares and bonds:** In per cent of par value, except Royal Dutch Petroleum, which is quoted in guilders.

Trading in Foreign Shares

A large number of foreign securities are officially quoted. An important international capital market.

Investment Regulations for U. S. Residents

Effective rate of exchange is Guilders 3.8: $1. Investments in securities listed on the exchange may be made in dollars or externally convertible currencies through K Accounts or T Accounts.[4] Interest, dividends, and proceeds from matured obligations may be remitted freely through T Accounts. Proceeds from sale of securities may be deposited to K Accounts and remitted. Securities may be exported and imported freely.

SWITZERLAND

Zurich is one of the world's biggest capital markets and an active market in international securities, both in officially quoted shares and over the counter trading. Arbitrage is active. Several mutual funds have been formed for investment in other countries.

Stock Exchanges: Zurich the main exchange, with secondary markets in Geneva and Basel. Small private exchanges in Lausanne, Berne, Neuchatel, St. Gall, Chur.

Regulation: The cantons have reserved to themselves the control of the exchanges; Zurich, Basel and Geneva have legislated in this connection. The other five exchanges are private institutions serving only local needs.

Trading: (Zurich) Commercial and private banks are members of the exchange, and trade for their own account as principals, not as agents of customers. An auction market, bidding on each share is opened by exchange officials; trading in a share is not permitted until bidding is opened, but once opened, the share may be traded until close of session.

Volume daily is large and there is much opportunity for **Speculation.**

Settlements for cash mostly; but trading in **Options** for settlement at the end of the current or the next month is permissible.

Margin: No fixed requirement, negotiated by customer and bank.

Quotation of foreign securities: in francs per share.

Investment Regulations for U. S. Residents

The free currency market determines the Swiss franc/dollar exchange rate, which usually fluctuates mildly around FR 4.3: $1.

Foreign securities may be purchased and may be exported and imported freely. Effective Aug. 18, 1960, under the terms of a "Gentlemen's Agreement" between the Swiss National Bank and the Swiss banks, the purpose of which is to reduce the flow of funds into the country, residents of foreign countries may not pur-

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3 Capital Accounts may be credited with proceeds from sales of foreign-owned personal property and real estate, and with investment proceeds not freely transferable. They may be used for investments. Balances may be converted to dollars in the capital lire market and remitted freely.

4 K (Capital) Accounts, used for payments on securities transactions, and T (Transferable) Accounts, used for payment of interest and dividends, may be freely exchanged into dollars or convertible currencies. The distinction has no practical consequences today, and is maintained in order that the Government may control capital movements through K Accounts if necessary.

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chase Swiss securities. The agreement is for one year from Aug. 18, 1960, but may be rescinded before its expiration. However, Swiss securities may freely be acquired or sold outside of Switzerland. Not all Swiss securities may be owned by non-Swiss citizens, such as Ciba, Geigy (resisgtered shares).

UNITED KINGDOM

Domestic Capital Market

Industry has relied heavily on **Self-financing**, favored by fiscal system which imposes a 12½% levy on all profits, distributed and undistributed. Capital market provides significant sums, especially to large firms quoted on the exchange, as there are substantial private savings available for investment.

Nationalization: Most industry is privately owned. In general, railways, gas, electricity, coal, air services, and road transport are nationalized.

Private Share ownership is broad; many private investors have limited incomes. The trend is to broaden private investment further through investment funds.

Volume is large daily; statistics give indications of volume, reporting number of transactions but not number of shares traded.

Information for Investors

Annual Reports. Companies are required to publish annual reports and they are publishing increasingly full information.

Brokers provide clients with statistical services, employ investment analysts—but not to the extent practiced in the U. S.

Standard Reference: The Stock Exchange Official Yearbook. Financial and business journalism is excellent.

Trading Practices

Stock Exchanges: London the principal exchange. Others in Glasgow, Liverpool, Manchester, Birmingham, Edinburgh, and 18 other cities and towns.

Regulation: Stock Exchange is an autonomous body, free from government control.

Trading: Brokers and jobbers are members of exchange. Brokers handle customers' orders as agents, receiving a commission; they place order with jobber, comparable to the American specialist. Jobber also buys and sells for own account, specializing in a few securities. Jobbers are not permitted to deal with the public. Trading continues after exchange hours between brokers and jobbers. Banks often receive orders and transmit them to brokers. Commercial banks buy government and other gilt-edged securities but not industrial shares.

Settlement: Based on the system of accounting periods, usually 14 days, but to avoid having more than two settlements per month, four accounts in the year are extended to three weeks. Transfers are prepared after the last day of dealing when the investor's position is finally known.

Stamp tax: Buyer pays a transfer tax of 2% of market value. If buyer sells within the same accounting period, the stamp tax is refunded.

Short-selling: Not subject to special regulations but deferred settlements permit it unofficially.

Large **Option** market.

Shares

Registered shares are now required, but bearer shares issued by many firms before the war are still traded. **Stockholder identity** can usually be told from shareholder's register, but shares may be registered in name of nominee who holds them for owner. Important holdings are usually in name of nominee. **Dividends:** Interim and annual. **Par Value:** All shares have par value, often £1. **Quotation of shares,** in pounds and shillings; of bonds in percentage of par value.

Trading in Foreign Shares

Traditionally the leading international securities market. In practice, any security traded on any exchange in the world can be

TABLE VI

AMERICAN DEPOSITARY RECEIPTS

List of the Principal European Securities Traded In New York via A D Rs

Name of Firm*	Industry	Country	Depositary	Issuance Fee**	ADR Ratio to Underly- ing Security	Where Traded***
A. K. U.	Textile	Neth.	Chase Man.	(1)	ADR F1.50 Par	ASE
A. E. G.	Elect. Equip.	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
A. E. G.	Elect. Equip.	Germany	Morgan Guar.	$3,4,5	ADR DM 50 Par	OTC
Assoc. Elect. Ind.	Elect. Equip.	UK	Morgan Guar.	$2,3,4	1-1	ASE
Assoc. Televsn "A"	Entertainment	UK	Morgan Guar.	$3,4,5	1-1	OTC
Aug. Thyssen-Huette	Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Badische Anilin	Chemical	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Bayerische Vereinsbk.	Banking	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Beecham Group	Consumer	UK	Chemical	$3,4,5	1-1	OTC
Beecham Group	Consumer	UK	Morgan Guar.	$3,4,5	1-1	OTC
Birmingham Sound	Electronics	UK	Morgan Guar.	$3,4,5	1-1	OTC
Boots Pure Drug	Chemical	UK	Irving Trust	(2)	1 ADR:2 Eng.	OTC
Borax	Holding	UK	Morgan Guar.	$3,4,5	1-1	OTC
Bowater Paper	Paper	UK	Morgan Guar.	None	1-1	OTC
Brit. Aluminum	Aluminum	UK	Irving Trust	(2)	1-1	OTC
Brit. Aluminum	Aluminum	UK	Morgan Guar.	$3,4,5	1-1	OTC
Brit-Amer. Tobacco	Tobacco	UK	Morgan Guar.	$2,3,4	1-1	ASE
Brit-Amer. Tob. (A)	Tobacco	UK	Morgan Guar.	$2,3,4	1-1	ASE
British Motors	Automotive	UK	Irving Trust	(2)	1 ADR: 10 Eng.	OTC
British Oxygen	Chemical	UK	Morgan Guar.	$3,4,5	1-1	OTC
Brit. Petroleum	Petroleum	UK	Morgan Guar.	$2,3,4	1-1	ASE
Brit. War Loan 3½%	Government Bonds	UK	Morgan Guar.		ADR £20 Par	OTC
B. T. R. Industries	Rubber	UK	Morgan Guar.	$3,4,5	1-1	OTC
Burmah Oil	Petroleum	UK	Irving Trust	(2)	1-1	OTC
Burmah Oil	Petroleum	UK	Morgan Guar.	$3,4,5	1-1	OTC
Byenkorf	Dept. Store	Neth.	Morgan Guar.		ADR F 1.10 Par	OTC
Carreras "B"	Tobacco	UK	Morgan Guar.	$2,3,4	1-1	ASE
J. & P. Coats	Thread	UK	Irving Trust	(2)	1-1	OTC
Commerzbank	Banking	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Consolidated Tin	Tin	UK	Irving Trust	(2)	1 ADR: 2 Eng.	OTC
Courtaulds	Synth. Fibers	UK	Morgan Guar.	$2,3,4	1-1	ASE
Decca Records	Musical	UK	Irving Trust	(2)	1-1	OTC
Deutsche Bank	Banking	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Deutsche Erdoel	Petroleum	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Distillers	Chem: Alchol	UK	Morgan Guar.	$2,3,4	1-1	ASE
Dorman, Long	Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
Dortmund-Hoerder	Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Dresdner Bank	Banking	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Dresdner Bank	Banking	Germany	Morgan Guar.	$3,4,5	ADR DM 50 Par	OTC
Dunlop Rubber	Rubber	UK	Morgan Guar.	$2,3,4	1-1	ASE
(Soc.) Edison	Power	Italy	Chemical	$3,4,5	1-1	OTC
Elec. & Musical Ind.	Electronics	UK	Morgan Guar.	(3)	1-1	NYSE
Elliott Automation	Electronics	UK	Morgan Guar.	$3,4,5	1-1	OTC
Fairey Company	Aircraft	UK	Chemical	$3,4,5	1-1	OTC
Fairey Company	Aircraft	UK	Morgan Guar.	$3,4,5	1-1	OTC
Farbenfabr. Bayer	Chemical	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Farbwerke Hoechst	Chemical	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Farbwerke Hoechst	Chemical	Germany	Morgan Guar.	$3,4,5	ADR DM 50 Par	OTC
Fiat	Auto, Iron, Steel	Italy	Schroder	$3,4,5	1-1	OTC
Ford Motor Ltd.	Automotive	UK	Morgan Guar.	$2,3,4	1-1	ASE
Ford Motor 4½% Pfd.	Automotive	UK	Morgan Guar.	$2,3,4	1-1	OTC
Furness Withy	Steamship	UK	Morgan Guar.	$3,4,5	1-1	OTC
Gaumont Brit. (B)	Movies	UK	Irving Trust	(2)	1 ADR: 5 Eng.	OTC
Gelsenkirch Berg.	Coal, Oil	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
General Electric	Elect. Equip.	UK	Morgan Guaranty	$2,3,4	1-1	ASE
Gestetner (C)	Office Equip.	UK	Morgan Guar.	$3,4,5	1-1	OTC
Glaxo Lab.	Chemical	UK	Morgan Guar.	$3,4,5	1-1	OTC
Great Univ. Stores	Dept. Store	UK	Morgan Guar.	$3,4,5	1-1	OTC
Hadfields	Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
Hawkers Siddeley	Machinery	UK	Morgan Guar.	$3,4,5	1-1	OTC
Hoesch Werke	Coal, Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Hocgovens	Iron, Steel	Neth.	Morgan Guar.	$3,4,5	ADR F 1.20 Par	OTC
Ilseder Huette	Coal, Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Imperial Chemical	Chemical	UK	Morgan Guar.	$2,3,4	1-1	ASE
Imperial Tobacco	Tobacco	UK	Morgan Guar.	$2,3,4	1-1	ASE
Jaguar Cars "A"	Automotive	UK	Morgan Guar.	$3,4,5	1-1	OTC
KLM	Transport	Neth.	1st Nat. City	(4)	ADR FL.100 Par	NYSE
Kloeckner Werke	Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Lancashire Steel	Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
London Tin	Tin	UK	Irving Trust	(2)	1 ADR: 10 Eng.	OTC
Mannesmann	Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Mannesmann	Steel	Germany	Morgan Guar.	$3,4,5	ADR DM 50 Par	OTC
Montecatini	Chemical	Italy	Morgan Guar.	None	1 ADR: Lire	NYSE
Olivetti (Pfd)	Office Mach.	Italy	Morgan Guar.	$3,4,5	ADR Lire 1000 Par	OTC
Pirelli	Rubber	Italy	Chemical	$3,4,5	1-1	OTC
Peugeot	Automotive	France	Morgan Guar.	$3,4,5	ADR NF 62.5	OTC
Plessey	Electronics	UK	Morgan Guar.	$3,4,5	1-1	OTC
Reichhold Chem.	Chemicals	UK	Morgan Guar.	$3,4,5	1-1	OTC
Rheinische Stahlw.	Steel	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Rhein. Westf. Elect.	Utility	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Rolls Royce	Automotive	UK	Morgan Guar.	$2,3,4	1-1	ASE
Royal Dutch Petr.	Petroleum	Neth.	Chase Man.	None	1-1	NYSE
Saint Gobain	Chem., Glass	France	Morgan Guar.	$3,4,5	ADR NF 7.50 Par	OTC
Schneider & Cie.	Iron, Steel	France	Chemical	$3,4,5	1-1	OTC
Shell Transp. & Trad.	Petroleum	UK	Chase Man.	(5)	1 ADR: 2 Eng.	OTC
Shell Transp. & Trad.	Petroleum	UK	Irving Trust	None	1-1	NYSE
Siemens & Halske	Elec. Equip.	Germany	Chemical	$3,4,5	ADR DM 50 Par	OTC
Siemens & Halske	Elec. Equip.	Germany	Morgan Guar.	$3,4,5	ADR DM 50 Par	OTC
Simca	Automotive	France	1st Nat. City	(6)	1 ADR: ½ Fr.Share	ASE
Snia. Viscosa	Textile	Italy	Chemical	$3,4,5	1-1	OTC
Singer Mfg.	Sewing Mach.	UK	Morgan Guar.	$2,3,4	1-1	ASE
Steel Co. of Wales	Iron, Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
Stewarts & Lloyds	Steel	UK	Chemical	$3,4,5	1-1	OTC
Stewarts & Lloyds	Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
J. Summers & Sons	Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
Tate & Lyle	Food	UK	Irving Trust	(2)	1-1	OTC
Tob. Sec. Trust (D)	Tobacco	UK	Morgan Guar.	$2,3,4	1-1	ASE
Unilever Ltd.	Consumer	UK	Irving Trust	(2)	1-1	OTC
Unilever Ltd.	Consumer	UK	Morgan Guar.	$3,4,5	1-1	OTC
Unilever N.V.	Consumer	Neth.	Irving Trust	(7)	ADR F 1.50 Par	OTC
Unilever N.V.	Consumer	Neth.	Morgan Guar.	(8)	ADR F 1.50 Par	OTC
Union Miniere	Mining	Belg.	Belg. Amer.	$5 per 100	4 ADR: 1/10 Shr.	OTC
United Molasses	Food	UK	Morgan Guar.	$2,3,4	1-1	ASE
United Steel Cos.	Steel	UK	Morgan Guar.	$3,4,5	1-1	OTC
Vickers Ltd.	Machinery	UK	Morgan Guar.	$3,4,5	1-1	OTC
Western Stockholders Inv. Tr.	Trust	UK	Morgan Guar.	$2,3,4	1-1	OTC
Woolworth Ltd. (E)	Stores	UK	Morgan Guar.	$2,3,4	1-1	ASE

FOOTNOTES TO A D R LIST

*UNDERLYING SHARES: Ordinary shares underlie the ADRs except as indicated on the list or as noted below:

(A) registered: other ADR listed is for bearer.
(B) also "A" underlying in ratio 1 ADR: 10 Eng.
(C) also "A" underlying in ratio 1-1.
(D) also deferred underlying in ratio 4 ADR: 1 £ share.
(E) also 6% preferred underlying in ratio 1-1.

**Fees for Issuing American Depositary Receipts: Unless otherwise noted, issuance fees are paid by the purchaser of ADRs. Fees are determined by the depositary Bank at the time ADRs are established, based on their expenses which include all Commissions and agents' fees. Most ADRs are traded under one of these fee schedules:

$2-$3-$4	$3-$4-$5	Foreign Market Price per 100 Depositary Shares or Fraction
$2	$3	Per 100 when selling at $5 or less per share
$3	$4	Per 100 when selling between $5 and $10 per share
$4	$5	Per 100 when selling at over $10 per share

(Plus taxes and charges)

EXCEPTIONS:

(1) A. K. U.: $2 per 100 or fraction when selling at $10 or less
$3 per 100 or fraction when selling between $10 and $20
$4 per 100 or fraction when selling at over $20

(2) 3¢ per ADR issued or cancelled when selling under $5 per share
4¢ per ADR issued or cancelled when selling between $5 and $10 per share
5¢ per ADR issued or cancelled when selling over $10 per share
Minimum charge: $3.

(3) Elec. & Mus. Ind.: 12½¢ per share issuance fee. No transfer fee.

(4) K L M: $2 per share

(5) Shell T & T: 25¢ per Eng.

(6) SIMCA: $3 per 100 ADRs sell up to $20
$4 per 100 when ADRs sell over $20

(7) Unilever N. V. (Irving): 5¢ per ADR issued or surrendered. Minimum $3.

(8) Unilever N. V. (Morgan): $5 per 100 ADRs issued or surrendered.

OTHER FEES:

Transfer: $1.50 per new receipt issued (plus taxes) paid by party surrendering receipt.
Splits or combinations of receipts: $1.00 per new receipt issued, paid by surrenderer.
Distribution of Dividend: 1¢ per depositary share plus taxes and charges, paid by registered holders of receipts.

***WHERE TRADED:

ASE: American Stock Exchange
NYSE: New York Stock Exchange
OTC: Over the Counter

traded on the floor of the London exchange.

Investment Regulations for U. S. Residents

Effective rate of exchange is £1: $2.80.

Investments in any security may be made in dollars or other convertible currencies through External Accounts.[5] Dividends and interest on all securities and the proceeds from the sale of matured securities may be freely remitted through External Accounts. Proceeds from sale of sterling securities must be credited to what are still formally known as Blocked Accounts; but balances in these Blocked Accounts,[6] identified as "security sterling," may be transferred without difficulty and this can be arranged by any bank. Proceeds may also be reinvested in sterling securities having at least five years to mature. To export sterling securities, permission of the Bank of England is required, but such permission is normally granted. Non-sterling securities may not be resold in the U. K., but may be exported.

5 External Accounts, i.e. foreign owned accounts in London banks, are freely convertible into dollars or externally convertible currencies.

6 Blocked Accounts. Capital proceeds deposited to these accounts may be used to purchase sterling securities not redeemable for five years, as well as 2½% Consols and 3½% War Loan Bonds. Transfers between blocked accounts are freely permitted. Balances are readily converted to dollars on the market for securities (switch) sterling, and so are in effect transferable.

Hill Richards Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Peter Widdershoven has been added to the staff of Hill Richards & Co., 600 California Street. He was previously with Schwabacher & Co.

Goodbody Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ATHENS, Ga.—Gene S. Jamison has been added to the staff of Goodbody & Co., 289 North Lumpkin Street.

Joins Clement Evans

(Special to THE FINANCIAL CHRONICLE)

SAVANNAH, Ga.—Joel D. Lynch has joined the staff of Clement A. Evans & Company Inc., Liberty National Bank Building. He was formerly with Carl M. Loeb, Rhoades & Co.

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Exchange immediately prior to such determination."

In this instance the underwriter and the issuer would agree on the final price after the SEC had released the offering for sale to the public.

Another substantial variation from the normal method of determining price has been brought about as a result of both cash and rights offerings by the so-called "romance" or "glamour" companies, particularly where the floating supply of stock is small. In several instances, the market in these stocks experienced a substantial rise during the registration period, and, confronted with relatively small earnings (in some cases, no earnings) and extremely high price-earnings ratios, the underwriters have offered the new shares at a relatively large discount off the existing market price. In the case of cash offerings this discount seems to have no relation to the existing market. The discount is arbitrarily arrived at between the issuer and the underwriter, both parties realizing that the existing market price may be misleading.

Several examples of this are included in the appendix. For instance, on May 24, 1960, Ionics, Inc. offered 75,000 shares at a price of $20.75 per share when the market was 22½. Also, on June 15, 1960, 260,000 shares of Brush Beryllium were offered at $42, with the market the day prior to the date of offering at 46¾. In the case of Brush Beryllium the market 60 days prior to the offering was 33½, and 30 days prior to the offering was 37. Ionics, Inc. had likewise moved up sharply during the 60 days prior to the offering.

In similar situations especially where the number of outstanding shares is relatively small and the market thin, and when a stock has risen to a point where book value and earnings are no longer relevant, even though the stockholder legally has no pre-emptive rights, the issuer and the underwriter often have elected to finance through an offering to stockholders as opposed to a cash offering. In such cases the reasoning follows these lines: If the new stock is offered for cash at a substantial discount off the market, say 10-20%, even though the management may feel that the offering price is fair, other stockholders may disagree. Consequently through a rights offering the stockholder not only is in a position to protect himself against dilution, but his objection to the large discount is answered as he directly benefits through the attractive subscription price or through cash realized by the sale of his rights.

Another salient feature of such a rights offering is the fact that during the standby period, the market in the rights themselves represents an expression and evaluation by the public of the new shares, and thus through this medium the underwriter's responsibility of pricing the new shares is less serious than in a cash offering. Through "layoffs" during the standby period the underwriting group is essentially selling the new stock at a price established by the public themselves.

There is nothing new about the application of "layoffs" during a rights offering, but the value of the "layoff" to the underwriter in reducing his risk is accentuated in offerings of the highly volatile stocks where normally the underwriter's exposure is the greatest.

Comparison With "Theoretical Dilution"

As presented in the appendix, the approach to the problem of measuring the effect of a cash offering on the market price of an issuer's outstanding common stock, is based on the assumption that an equity offering without pre-emptive rights, whether common stock or a convertible security, represents dilution or potential dilution to the present stockholders. This evolves from the fact that in the majority of new capital underwritings there is a delayed period of productivity for the new capital as this money cannot all be put to work effectively at once. There is, in other words, a certain period of sterility for the new capital, a period in which this new capital will not contribute significantly to the earnings of the company. In this tabulation, a "Theoretical Dilution Price" was worked out for each of the offerings, this point representing an approximation of the price at which the stock would theoretically sell if a stock dividend in the same ratio were declared. This theoretical point assumes that the cash realized by the issuer has no value and the result of the offering is an absolute dilution of per share earnings. However, assuming general market conditions to be relatively constant, theoretically at no time should a cash offering have such an extreme effect on the market price of any given stock; but several of the issues included in the appendix actually sold below the Theoretical Dilution Price on the day of offering.

Again assuming general market conditions to be constant and adopting the assumption that there *does* exist a period of delayed productivity for new capital, one might arrive at the conclusion that a cash equity offering would result in a stock selling at a price somewhere between the previous market price (unaffected by news of the offering) and the price represented by the Theoretical Dilution Price. It is this same theory that determines the price set on offerings to stockholders via "rights." However obvious this may seem, here again the data herein indicates that there is *no definite* conclusion, as in many cases the market price of a stock may be higher on the offering date than on a date prior to the registration date or the announcement of the offering. This applies to common stock as well as convertible offerings.

The question often has been raised as to the relative effect of common stock offerings on the existing market price of a stock as compared to offerings of convertible debentures and preferreds. Naturally any such comparison does not involve the basic economic principle of whether or not a particular company should issue a debt security versus a straight common stock. However,

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EXHIBIT I

Financing By Classes of Securities [1]
(in Millions of Dollars)

		Total	Debt Securities	Preferred Stock	Common Stock
1960 (6 mos.)		$3,417	$2,317	$ 69	$1,031
	%	100%	68%	2%	30%
	Number of Issues	632	173	23	436
1959		6,727	3,921	412	2,394
	%	100%	58%	6%	36%
	Number of Issues	1,035	291	62	682
1958		8,668	6,491	422	1,755
	%	100%	75%	5%	20%
	Number of Issues	659	306	66	287
1957		9,067	6,541	356	2,170
	%	100%	72%	4%	24%
	Number of Issues	750	363	62	325
1956		7,199	4,355	588	2,256
	%	100%	61%	8%	31%
	Number of Issues	881	296	99	486
1955		6,154	3,735	513	1,906
	%	100%	61%	8%	31%
	Number of Issues	963	238	117	608
1954		6,464	4,452	782	1,230
	%	100%	69%	12%	19%
	Number of Issues	852	246	137	469
1953		4,979	3,487	377	1,115
	%	100%	70%	8%	22%
	Number of Issues	709	226	104	379
1952		5,007	3,270	496	1,241
	%	100%	65%	10%	25%
	Number of Issues	718	249	104	365

1 Definition: Publically offered underwritten securities.

Source: Investment Dealers Digest Section II 1952-1960.

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it should be assumed that in most cases a convertible debenture or preferred is convertible at a price somewhat higher than the existing market, thus resulting in a lesser number of shares outstanding when ultimately converted than would be the case in a common stock offering on the same date.

Explanation of Tables in Appendix

The common stock offerings included in our study cover a broad range of industrial companies, not limited by size or nature of business. However, certain cash offerings during the 1958-60 period were eliminated from the study due to a lack of available information, and in particular those issues were eliminated where no real and active market existed in the company's outstanding shares prior to the offering. The "number of shares offered" is the amount sold for company account and does not include simultaneous secondaries, if any.

In the tabulation, a date 60 days prior to the offering date was arbitrarily taken as a starting point on the assumption that during the period covered (1958, 1959 and first six months of 1960), this date would be prior to or approximate the date of the filing of the registration statement and that generally no information regarding the financing had been disseminated to the public prior to this time. A second point, one month prior to the offering date had been selected to reflect the market price during the registration period and the final date used in this study is the day prior to the date of offering. This latter date was used in computations in the appendix since it would generally be prior to stabilization, if any, and would be representative of free market action. The change in the market price of a stock during the 60-day period should reflect fully the effect of the offering, assuming general market conditions to be constant; however, each security listed in the tabulation carries below it a corresponding Standard & Poor's market index, indicating the general market behavior during this same 60-day period.

Following the columns showing actual prices, Column D lists the percentage change during the two month period in the stock and below it the percentage change in the appropriate Standard & Poor's average. The amount of potential or theoretical dilution represented by the new stock is shown as a percentage figure in Column E. This figure is calculated according to the normal dilution formula, namely, dividing the number of new shares by the sum of the outstanding shares plus the new shares.

This percentage dilution was then applied to the market price two months prior to offering to give a Theoretical Dilution Price (F). In order to minimize distortions resulting from the action of the general market, the "Theoretical Dilution Price" of each stock was adjusted by the interim percentage change in the Standard & Poor's Industrial or Public Utility Stock Index (G).

The next column (H) in the tabulation indicates at what point above or below this adjusted Theoretical Dilution Price, a stock sold the day prior to the offering. If the price of the stock the day prior is lower than the Theoretical Dilution Price, it indicates that the public not only may have given no value to the new money but also that some outside forces have tended to depress the market price. However, if the stock is higher than the Dilution Price, presumably *some* value has been given to the new money. A zero in this column would mean that the price of the stock has changed exactly as it would in the event of a stock dividend of equal dilution.

The next column (I) shows the price at which the stock would theoretically sell one day prior to offering, had it conformed exactly to the general market during the period, and had there been no financing. The last column (J) shows the difference between the actual price one day prior and the "contrived" price in the previous column. A "+" figure in the last column shows that the stock outperformed the general market during the period, evidently disregarding any potential dilution of the financing.

In summary, the most significant columns in the appendix are "H" and "J". The former shows the dilutive effect, or lack of it, of the offering and the latter shows the actual behavior of the stock relative to the general market.

It is perhaps in order here to take as an example a security in the study and follow it through the table.

Example—Reichhold Chemicals Inc. On March 20, 1958, Blyth & Co., Inc. managed an underwriting group that offered to the public 200,000 shares of common stock of Reichhold Chemicals Inc. The offering price was $25.50 per share. Column A indicates that on a date 60 days prior to the offering date, Reichhold common stock was selling at 23½ and the Standard & Poor's 425 Industrial Stock Index on that date was 44.20. Column B shows that on a date one month prior to the offering, Reichhold was selling at 24⅜ and the Standard & Poor's Index was 43.59. Column C indicates that on the day prior to the offering date, Reichhold was selling at 25¼ and the Standard & Poor's Index was 44.95.

Column D reflects the percentage change in the market price of Reichhold stock during this 60-day period and in parenthesis below, the percentage change in the Standard & Poor's Index. In this example, Reichhold rose in price 7.4% while the Standard & Poor's Index was up only 1.7%.

The 200,000 shares of new stock offered by Reichhold represent a dilution of the outstanding shares of 13.7%, as indicated by Column E. If these new shares were instead a stock dividend, the market in Reichhold should adjust itself, ex-dividend 60 days prior to the offering, to a price of $20.28. This "Theoretical Dilution Price" as it is referred to in the study, is shown in Column F.

The next column (G) adjusts the Theoretical Dilution Price for any change in the general market during the 60-day period, as expressed by the change in the Standard & Poor's Index. In the case of Reichhold, the Index rose 1.7% during the period, giving an adjusted Theoretical Dilution Price of $20.62.

The figure in Column H represents the percentage difference between the price one day prior to offering and the Theoretical Dilution Price adjusted for market, or the percentage difference between the figures in Column C and Column G. In this instance, on the day prior to the offering, Reichhold was selling at 25¼ or 22.4% above the Theoretical Dilution Price of $20.62. In other words the stock one day prior showed no obvious effect of the dilution of the offering.

In Column I the market price of Reichhold 60 days prior to the offering (23½) is adjusted for the general market movement during the 60-day period (+1.7%). The resulting figure is $23.90, and this is designed to reflect the price at which Reichhold would be selling prior to the offering had it conformed with the general market and had there been no new equity financing.

The figure in Column J represents the percentage change in the price of the stock during the 60-day period prior to offering after adjusting for any change in the general market. During this 60-day period, after market adjustment, Reichhold moved from $23.90 (Column I) to 25¼ (Column C), or 5.6% better than the general market.

Analysis of Offerings

An examination of the appendix indicates that there is *no standard* pattern of market behavior and that the effect on the market of cash offerings varies with each individual stock.

Undoubtedly during the 60-day period there were circumstances peculiar to each issuer that are impossible to reflect in any statistical report. One company may reveal in the prospectus certain technological discoveries; another may indicate the new money is to be used for an attractive acquisition; another may release either favorable or unfavorable income statements, defense orders awarded or cancelled, etc., all of which may have some bearing on the market price of that particular stock during the registration period, but none of which can be isolated and reduced to statistical form.

Size of Offerings

The following table breaks down the 111 offerings included in the Appendix into industrial common stocks, utility common stocks, industrial convertible issues and utility convertible issues. The amount of "Theoretical Dilution" is shown in four groups with the number of issues in each group.

Theoretical Dilution	46 Ind. Com.	38 Util. Com.	19 Conv. Ind.	8 Conv. Util.
5% or Less	4	11	0	3
5-10%	14	18	3	2
10-15%	15	9	8	3
Over 15%	13	0	8	0

As we all know, public utilities are repeatedly in the market for new equity money to finance their expansion programs and to maintain balanced capital structures. However, the dilution represented by the offerings is generally modest. Of the 38 cash offerings of utility stocks, none represented a theoretical dilution of as much as

Continued on page 92

Table I

COMMON STOCKS

Industrials

Date of Offering	Issuing Company	Managing Underwriter	Number of Shares Offered	Offering Price	"A" Price 2 Months Prior to Offering	"B" Price 1 Month Prior to Offering	"C" Price 1 Day Prior to Offering	"D" % Change 2 Mos. to 1 Day Prior	"E" % Theoretical Dilution of this Offering	"F" Price 2 Mos. Prior (Col.A) Adj. for Theor. Dil. (Col.E)	"G" Theor. Dil. Price (Col.F) Adj. For Change in S & P Index During 2 Mos. Period (Col.D)	"H" % Change from Theor. Dil. Pr. Adj. for Mkt. action (Col.G) to pr. one day prior to offering (Col.C)	"I" Price 2 Mos. prior (Col.A) Adj. for Mkt. action during 2 Mos. period (Col. D)	"J" % Change from price 2 Mos. pr. Adj. for Mkt. action (Col.I) to price one day prior (Col.C)
3/20/58	Reichhold Chemicals (Figures in parentheses are S & P 425 Industrial Stock Index)	Blyth & Co., Inc.	200,000	$25 1/2	$23 1/2 (44.20)	$24 3/8 (43.59)	$25 1/4 (44.95)	+ 7.4% (+ 1.7%)	13.7%	$20.28	$20.62	+22.4%	$23.90	+ 5.6%
3/31/58	General Telephone	Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.; Mitchum, Jones & Templeton	500,000	$42 7/8	$42 7/8 (44.50)	$42 7/8 (43.50)	$42 3/8 (45.06)	- 1.2% (+ 1.3%)	3.3%	$41.46	$42.00	+ 0.9%	$43.43	- 2.4%
5/28/58	Mohawk Rubber	Kidder, Peabody & Co.	12,244	$24 1/2	$20 1/4 (45.06)	$20 3/4 (46.16)	$24 (46.58)	+18.5% (+ 3.4%)	5.2%	$19.20	$19.85	+20.9%	$20.94	+14.6%
6/11/58	James Talcott	F. Eberstadt & Co.; White, Weld & Co.	100,000	$23 3/4	$23 (44.43)	$24 (46.85)	$24 5/8 (47.31)	+ 7.1% (+ 6.5%)	13.9%	$19.80	$21.09	+16.8%	$24.50	+ 0.5%
7/17/58	United Artists	F. Eberstadt & Co.	200,000	$22 3/8	$21 1/2 (46.59)	$22 1/8 (48.29)	$22 3/8 (48.08)	+ 4.1% (+ 3.2%)	15.8%	$18.10	$18.68	+19.8%	$22.19	+ 0.8%
7/22/58	General Transistor	Hayden, Stone & Co.	26,112	$20 1/2	$21 5/8 (46.59)	$21 3/8 (47.74)	$21 1/4 (49.34)	- 1.7% (+ 5.9%)	7.7%	$19.96	$21.14	+ 0.5%	$22.90	- 7.2%
8/18/58	Pillsbury Mills	Goldman, Sachs & Co.; Piper, Jaffray & Hopwood	100,000	$58 1/4	$55 5/8 (48.09)	$57 1/4 (48.70)	$59 (50.78)	+ 6.1% (+ 5.6%)	9.7%	$50.22	$53.03	+11.3%	$58.74	+ 0.4%
12/16/58	Cutter Laboratories "A"	Blyth & Co., Inc.	150,000	$11 1/2	$11 1/2 (55.15)	$11 1/4 (56.90)	$12 3/4 (56.99)	+10.9% (+ 3.3%)	11.8%	$10.14	$10.47	+21.8%	$11.88	+ 7.3%
1/21/59	Rohr Aircraft	First Boston Corp.; Lester, Ryons & Co.	300,000	$22 1/2	$24 1/8 (56.26)	$23 7/8 (57.30)	$22 1/2 (59.36)	- 6.7% (+ 5.5%)	16.9%	$20.05	$21.15	+ 6.4%	$25.45	-11.6%
2/11/59	Interstate Motor Freight	A. C. Allyn & Co., Inc.; Walston & Co., Inc.	125,000	$10 1/2	$ 9 3/4 (56.98)	$11 3/8 (59.46)	$10 1/2 (57.84)	+ 7.7% (+ 1.5%)	15.4%	$ 8.25	$ 8.37	+25.4%	$ 9.90	+ 6.1%
3/24/59	Ryder System	Blyth & Co., Inc.	150,000	$48	$40 1/2 (59.51)	$42 1/2 (59.10)	$48 1/4 (59.45)	+19.1% (- 0.1%)	16.0%	$34.02	$33.99	+41.9%	$40.46	+19.3%
3/26/59	General Transistor	Hayden, Stone & Co.; Kidder, Peabody & Co.	40,000	$66 1/2	$54 (59.51)	$57 3/4 (58.93)	$68 1/8 (59.48)	+26.2% (0)	9.6%	$48.82	$48.82	+39.5%	$54.00	+26.2%
4/7/59	W. T. Grant	Lehman Brothers	320,000	$46	$41 (57.02)	$45 1/4 (59.81)	$46 3/4 (60.28)	+14.0% (+ 5.7%)	11.3%	$36.38	$38.45	+21.6%	$43.34	+ 7.9%
4/20/59	General Tel. & Electronics	Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.; Mitchum, Jones & Templeton	800,000	$71 1/4	$63 7/8 (59.15)	$67 3/4 (60.04)	$70 1/8 (61.84)	+ 9.8% (+ 4.5%)	4.0%	$61.32	$64.08	+ 9.4%	$66.75	+ 5.1%
5/7/59	American Agricultural Chem.	Hayden, Stone & Co.	216,000	$33 1/2	$33 1/4 (59.88)	$34 3/4 (60.16)	$34 1/2 (61.66)	+ 3.8% (+ 3.0%)	10.3%	$29.83	$30.72	+12.3%	$34.25	+ 0.7%
5/7/59	Consolidated Freightways	Blyth & Co., Inc.	300,000	$22	$23 (59.88)	$22 1/4 (60.16)	$21 7/8 (61.66)	- 4.9% (+ 3.0%)	15.5%	$19.44	$20.02	+ 9.3%	$23.69	- 7.7%
5/27/59	Packard Bell Electronics	White, Weld & Co.	100,000	$42 3/4	$40 (60.04)	$38 1/2 (61.97)	$43 (62.24)	+ 7.5% (+ 3.7%)	12.7%	$34.92	$36.21	+18.8%	$41.48	+ 3.7%
6/2/59	Mohawk Rubber	Kidder, Peabody & Co.	15,000	$63	$64 (59.61)	$60 (61.68)	$62 (62.99)	- 3.1% (+ 5.7%)	6.3%	$59.97	$63.39	- 2.2%	$67.65	- 8.4%
6/2/59	Burndy Corporation	Dominick & Dominick; Schwabacher & Co.	125,000	$17 3/4	$14 3/4 (59.61)	$16 (61.68)	$18 (62.99)	+22.0% (+ 5.7%)	11.6%	$13.04	$13.78	+30.6%	$15.59	+15.5%
6/16/59	Reichhold Chemicals	Blyth & Co., Inc.	400,000	$30 1/4	$35 1/2 (60.73)	$36 1/2 (62.35)	$31 1/2 (61.26)	-11.3% (+ 0.9%)	11.2%	$31.52	$31.80	- 0.9%	$35.82	-12.1%
6/17/59	Peoples Drug Stores	Alex. Brown & Sons; Kidder, Peabody & Co.	121,000	$47	$53 1/4 (61.84)	$50 3/4 (62.31)	$47 1/4 (60.78)	-11.3% (- 1.7%)	22.0%	$41.54	$40.83	+15.7%	$52.34	- 9.7%
6/24/59	Microwave Associates	Lehman Brothers	100,000	$22	$23 (61.97)	$20 (62.49)	$22 (61.34)	- 4.3% (- 1.0%)	10.3%	$20.63	$20.42	+ 7.7%	$22.77	- 3.4%
6/24/59	Ryan Aeronautical	Dean Witter & Co.	275,000	$25 1/2	$29 1/4 (61.97)	$28 1/2 (62.33)	$25 5/8 (61.34)	-12.4% (- 1.0%)	16.8%	$24.34	$24.10	+ 6.3%	$28.96	-11.5%
8/11/59	Controls Co. of America	Merrill Lynch, Pierce, Fenner & Smith; Lee Higginson Corp.	50,000	$32 3/8	$32 1/4 (61.57)	$34 (63.84)	$32 3/8 (62.88)	+ 0.4% (+ 2.1%)	4.4%	$30.83	$31.48	+ 2.8%	$32.93	- 1.7%
8/20/59	Air Products Inc.	Kuhn, Loeb & Co.; Reynolds & Co.; Drexel & Co.	115,000	$46	$61 (61.41)	$55 (64.04)	$45 (62.45)	-26.3% (+ 1.7%)	8.4%	$55.88	$56.83	+20.8%	$62.04	-27.5%
9/15/59	Pacific Finance	Blyth & Co., Inc.; Hornblower & Weeks	160,000	$59 1/2	$64 (64.08)	$62 (63.45)	$60 (61.14)	- 6.2% (- 4.6%)	11.3%	$56.77	$54.15	+11.8%	$61.06	- 1.7%
10/22/59	Knox Glass	Smith, Barney & Co.	200,000	$30	$33 (63.09)	$29 1/2 (59.15)	$30 (60.49)	- 9.1% (- 4.1%)	28.0%	$23.76	$22.79	+31.6%	$31.65	- 5.2%
11/9/59	Pitney-Bowes	First Boston Corp.	200,000	$35	$32 3/4 (61.14)	$37 3/4 (61.39)	$35 1/2 (61.86)	+ 8.4% (+ 1.2%)	4.6%	$31.24	$31.61	+12.3%	$33.14	+ 7.1%
11/24/59	Ryder System	Blyth & Co., Inc.	150,000	$30	$28 1/4 (60.92)	$26 1/2 (60.95)	$29 1/4 (61.32)	+ 3.5% (+ 0.7%)	7.4%	$26.16	$26.34	+11.0%	$28.45	+ 2.8%
1/12/60	Amer. Hospital Supply	Eastman Dillion, Union Securities & Co.; Smith Barney & Co.	200,000	$42 1/4	$45 (61.36)	$44 (63.53)	$42 1/2 (63.17)	- 5.6% (+ 2.9%)	8.2%	$41.31	$42.50	0	$46.31	- 8.3%
1/14/60	Teleprompter	Bear, Stearns & Co.	145,000	$12	$11 5/8 (60.32)	$12 1/8 (63.53)	$12 (62.33)	+ 3.2% (+ 3.3%)	24.0%	$ 8.84	$ 9.12	+31.6%	$12.01	0
2/3/60	Pantasote Company	Bear, Stearns & Co.	350,000	$ 7 3/4	$ 6 5/8 (63.21)	$ 7 7/8 (64.49)	$ 7 7/8 (60.81)	+18.8% (- 3.9%)	33.3%	$ 4.41	$ 4.23	+86.2%	$ 6.37	+23.6%
2/25/60	Clinton Engines	Bear, Stearns & Co.; H. M. Byllesby & Co., Inc.	350,000	$ 8	$ 9 1/2 (63.48)	$ 8 3/4 (60.80)	$ 7 7/8 (59.54)	-17.1% (- 6.2%)	26.3%	$ 7.00	$ 6.56	+20.0%	$ 8.91	-11.6%
3/16/60	Genesco Inc.	Blyth & Co., Inc.	500,000	$33 1/2	$37 3/4 (62.07)	$34 (58.36)	$34 1/4 (58.44)	- 9.3% (- 6.2%)	13.8%	$32.54	$30.52	+13.2%	$35.41	- 3.3%
3/18/60	Barnes Engineering	Hayden, Stone & Co.	23,000	$26 1/4	$24 7/8 (62.07)	$24 1/2 (59.63)	$26 3/8 (58.68)	+ 6.0% (- 5.5%)	6.5%	$23.26	$21.98	+20.1%	$23.51	+12.2%
3/24/50	Bobbie Brooks	Bache & Co.	100,000	$16 7/8	$18 1/2 (60.80)	$19 1/4 (59.54)	$16 7/8 (59.55)	- 8.8% (- 2.1%)	8.4%	$15.46	$15.14	+11.5%	$18.11	- 6.8%
3/24/60	Macco Corporation	Kidder, Peabody & Co. Mitchum, Jones & Templeton	200,000	$15 3/4	$51 3/4 (61.53)	$15 1/2 (60.04)	$15 3/4 (59.55)	0 (- 3.3%)	17.0%	$13.07	$12.64	+24.6%	$15.23	+ 3.4%
3/31/60	Latrobe Steel	Kidder, Peabody & Co.	60,000	$17 3/4	$20 (59.43)	$18 (60.04)	$17 3/4 (59.38)	-11.3% (- 1.8%)	5.3%	$18.94	$18.60	- 4.6%	$19.64	- 9.6%
3/31/60	General Instrument	Carl M. Loeb, Rhoades & Co.	200,000	$27 1/4	$25 (59.43)	$27 3/4 (60.04)	$27 3/4 (59.38)	+11.0% (- 1.8%)	11.5%	$22.13	$21.73	+27.7%	$24.55	+13.0%
4/11/60	Universal Cyclops Steel	A. G. Becker & Co., Inc.	150,000	$42 3/4	$43 1/2 (58.90)	$41 7/8 (57.88)	$43 (60.24)	- 1.2% (+ 2.3%)	8.0%	$40.00	$40.92	+ 5.1%	$44.50	- 3.4%
4/26/60	Nafi Corporation	Shields & Co.	200,000	$37 1/8	$33 5/8 (60.04)	$34 3/4 (59.57)	$37 (58.42)	+10.0% (- 2.7%)	16.3%	$28.14	$27.38	+35.1%	$32.72	+13.1%
5/24/60	Ionics	Lee Higginson Corp.; Shields & Co.; W.E. Hutton & Co.; C. E. Unterberg, Towbin Co.	75,000	$20 3/4	$17 (59.77)	$19 (58.42)	$22 1/2 (59.43)	+32.4% (- 0.6%)	14.0%	$14.65	$14.56	+54.5%	$16.90	+33.1%
5/24/60	Piper Aircraft	First Boston Corp.	100,000	$63 1/4	$57 1/4 (59.77)	$58 7/8 (58.42)	$63 1/8 (59.43)	+10.3% (- 0.6%)	9.3%	$51.92	$51.61	+22.3%	$56.91	+10.9%
6/9/60	Reliance Manufacturing	Glore, Forgan & Co.	40,000	$22	$22 (60.24)	$24 (58.34)	$22 (61.83)	0 (+ 2.6%)	7.4%	$20.37	$20.90	+ 5.3%	$22.57	- 2.5%
6/15/60	Brush Beryllium	Kuhn, Loeb & Co.; McDonald & Co.	260,000	$42	$33 1/2 (60.45)	$37 (58.89)	$46 3/4 (61.80)	+39.6% (+ 2.2%)	13.8%	$28.88	$29.51	+58.4%	$34.24	+36.5%
6/22/60	James Talcott	F. Eberstadt & Co.; White, Weld & Co.	150,000	$56 1/2	$52 1/2 (59.09)	$55 3/8 (59.43)	$57 7/8 (60.89)	+10.2% (+ 3.0%)	12.2%	$46.10	$47.50	+21.8%	$54.08	+ 7.0%

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15% and only nine of them were over 10%.

Industrial companies resort to common stock financing less frequently than public utilities and the relative size of the offerings tends to be larger. Thus in the period under review, out of 46 offerings 13 represented theoretical dilution of over 15% and only four of 5% or less.

Market Action During 2 Months Period

Of the 46 *industrial stock* offerings, 26 advanced and two were unchanged in price. Of these 28 issues, 25 did better than the general market.

Fourteen of these industrials declined to prices above their Theoretical Dilution Points.

Four industrials declined to prices below their Theoretical Dilution Points.

It is interesting that of the five industrial common stock offerings involving over 20% dilution, only one stock advanced more than the market during the 60-day period. This would seem to bear out the natural assumption that a large percentage dilution has a more adverse effect on the price of a stock than a small dilution, although the number of issues is perhaps too small to be conclusive. It should, however, be noted that on the day prior to offering all of these "large dilution" issues were selling at least 15% above their Theoretical Dilution Points adjusted for general market action.

Cf the 38 *public utility common stock offerings*, 22 advanced and 3 were unchanged in price. Of these 25 issues 12 did better than the general market.

9 of these utility stocks declined to prices above their Theoretical Dilution Points. Of these 1 did better than the general market.

4 utilities declined to prices below their Theoretical Dilution Points. It is perhaps worth noting that in most of these cases the theoretical dilution was comparatively small and so was the price decline.

Of the 19 *industrial convertible issues*, 5 of the common stocks advanced and did better than the general market.

13 of these declined to prices above their Theoretical Dilution Points, but 2 of these did better than the general market.

Only 1 of these declined to a point below Theoretical Dilution.

Of the 8 *utility convertible issues*, 5 of the common stocks advanced with 3 of them advancing more than the general market.

3 of the common stocks declined to prices above their Theoretical Dilution Points.

None declined below the Theoretical Dilution.

In the period from Jan. 1, 1958 through June 30, 1960, there was a grand total of *111 common stock and convertible issues* included in the tabulation. During the two

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EXHIBIT II

Underwritings By Types of Issues
(In Millions of Dollars)

Type	1952	No. of Issues	1953	No. of Issues	1954	No. of Issues	1955	No. of Issues
Utilities								
Debt Securities	$1,274	83	$1,377	85	$2,490	116	$1,279	63
Preferred Stock	315	46	292	50	491	69	285	45
Common Stock	436	74	684	86	387	61	560	72
Total	$2,025	203	$2,353	221	$3,368	246	$2,124	180
Industrials								
Debt Securities	$1,337	96	$1,560	80	$ 924	70	$1,709	118
Preferred Stock	176	57	81	52	279	61	208	71
Common Stock	740	266	337	267	455	364	1,103	476
Total	$2,253	419	$1,978	399	$1,658	495	$3,020	665
Other (1)								
Debt Securities	$ 660	70	$ 550	61	$1,038	60	$ 748	57
Preferred Stock	5	1	4	2	12	7	20	1
Common Stock	64	25	93	26	388	35	243	60
Total	$ 729	96	$ 647	89	$1,438	102	$1,011	118
Summary (2)								
Debt Securities	$3,270	249	$3,487	226	$4,452	246	$3,735	238
Preferred Stock	496	104	377	104	782	137	513	117
Common Stock	1,241	365	1,115	379	1,230	469	1,906	608
Total	$5,007	718	$4,979	709	$6,464	852	$6,154	963

Type	1956	No. of Issues	1957	No. of Issues	1958	No. of Issues	1959	No. of Issues	1960 (6 mos.)	No. of Issues
Utilities										
Debt Securities	$1,808	82	$3,672	142	$2,797	117	$2,155	93	$1,157	53
Preferred Stock	396	40	270	34	379	41	309	30	43	7
Common Stock	319	56	507	71	444	49	660	61	253	21
Total	$2,523	178	$4,449	247	$3,620	207	$3,124	184	$1,453	81
Industrials										
Debt Securities	$1,934	138	$1,977	128	$2,508	113	$1,158	143	$ 755	90
Preferred Stock	191	57	86	28	31	21	103	32	26	16
Common Stock	1,636	381	1,434	224	978	207	1,559	566	703	385
Total	$3,761	576	$3,497	380	$3,517	341	$2,820	741	$1,484	491
Other (1)										
Debt Securities	$ 613	76	$ 893	93	$1,185	76	607	56	406	30
Preferred Stock	.9	2	-	-	12	4	-	-	-	-
Common Stock	301	49	229	30	332	31	174	55	75	30
Total	$ 915	127	$1,122	123	$1,529	111	$ 781	110	$ 481	60
Summary (2)										
Debt Securities	$4,355	296	$6,541	363	$6,491	306	$3,921	291	$2,317	173
Preferred Stock	588	99	356	62	422	66	412	62	69	23
Common Stock	2,256	486	2,170	325	1,755	287	2,394	682	1,031	436
Total	7,199	881	$9,067	750	$8,668	659	$6,727	1,035	$3,417	632

(1) Includes: Railroad, Railroad Equipment, Bank, Insurance Co., Canadian Provincial & Municipal, Foreign Government, Canadian Mutual Funds & World Bank Issues.

(2) Summary Totals may vary from total of Industrial, Utility and Other due to rounding of figures.
Source: Investment Dealers Digest Section II 1952-60.

Peyser, Partner in Newburger, Loeb

Newburger, Loeb & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Benjamin F. Peyser to partnership. Mr. Peyser is manager of the firm's institutional department.

Conning & Co. To Admit Partner

HARTFORD, Conn.—On Jan. 1 Conning & Co., 15 Lewis Street, members of the New York Stock Exchange, will admit Donald H. Flaxman to partnership. He has been with the firm for some time.

With Suburban Securities

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — William S. Buckley has become associated with Suburban Securities Co., 732 East 200th Street. He was formerly with J. N. Russell & Co. Inc.

Atkinson Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Clayton W. Lewis is now affiliated with Atkinson and Company, U. S. National Bank Building.

With John Nuveen

(Special to THE FINANCIAL CHRONICLE)

SEATTLE, Wash.—John E. Bostock is now affiliated with John Nuveen & Co., 1411 Fourth Avenue Building.

New Sutro Branch

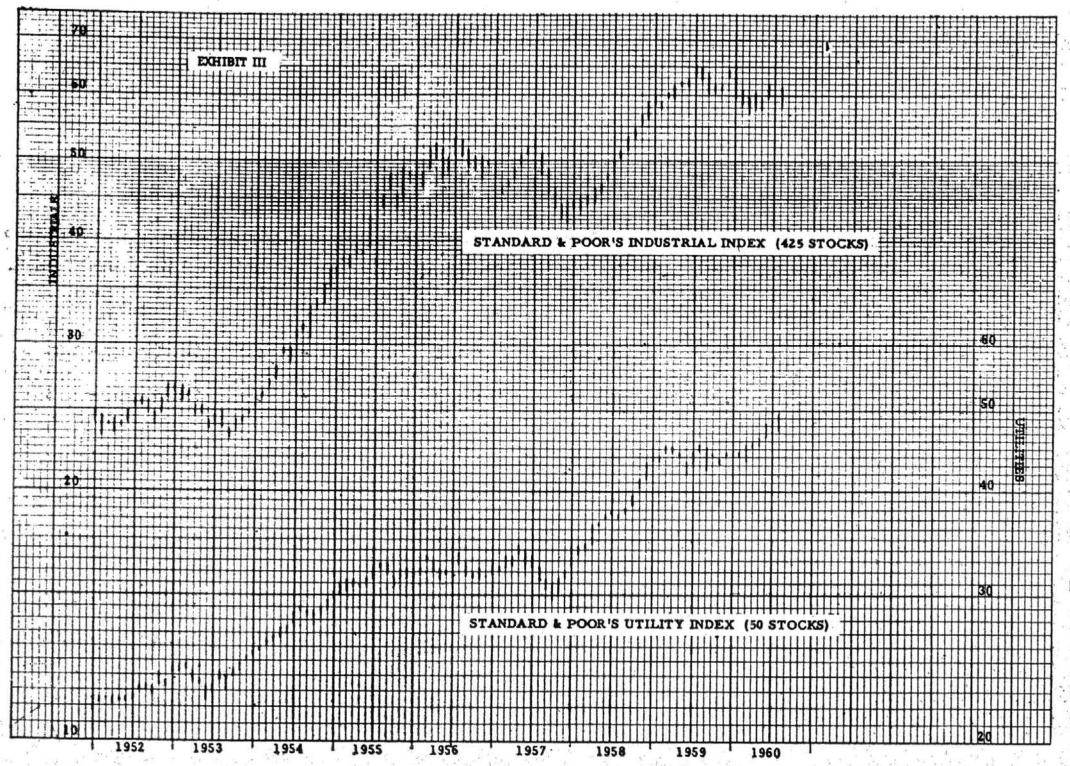
BERKELEY, Calif.—Sutro & Co. has opened a branch office at 2271 Shattuck Ave. under the management of Jack V. McIntyre.

Table 2

COMMON STOCKS

Utilities

Date of Offering	Issuing Company	Managing Underwriter	No. of Shares Offered	Offering Price	"A" Price 2 Months Prior to Offering	"B" Price 1 Month Prior to Offering	"C" Price 1 Day Prior to Offering	"D" % Change 2 Mos. to 1 Day Prior	"E" %Theoretical Dilution of this Offering	"F" Price 2 Mos. Prior (Col. A) Adj. for Theor. Dil. (Col.E)	"G" Theor. Dil. Price (Col.F) Adj. for Change in S & P Index During 2 Mos. Period (Col. D)	"H" % Change from Theor. Dil. Pr. Adj. for Mkt. action (Col.G) to pr. one day prior to offering (Col. C)	"I" Price 2 Mos. prior (Col.A) Adj. for Mkt. action during 2 Mos. period (Col. D)	"J" % Change from price 2 Mos. pr. Adj. for Mkt. action (Col. I) to price one day prior (Col. C)
2/4/58	Tennessee Gas Transmission	Stone & Webster Securities Corp.; White, Weld & Co. (Figures in parentheses are S & P Utility Stock Index)	1,000,000	$30 3/4	$29 1/2 (31.48)	$29 1/4 (32.46)	$30 1/8 (34.11)	+ 2.1% (+ 8.3%)	6.4%	$27.55	$29.84	+ 1.0%	$31.95	- 5.7%
2/5/58	Texas Utilities	Eastman Dillon, Union Securities & Co.	340,000	$48 7/8	$48 3/8 (31.86)	$45 3/8 (32.46)	$48 3/4 (34.11)	+ 0.8% (+ 7.1%)	2.7%	$47.07	$50.41	- 3.3%	$51.81	- 5.9%
4/16/58	Atlantic City Electric	Eastman Dillon, Union Securities & Co.; Smith, Barney & Co.	120,000	$33	$33 (34.11)	$32 1/4 (34.45)	$33 (35.42)	0 (+ 3.8%)	4.8%	$29.89	$31.02	+ 6.4%	$34.25	- 3.6%
4/30/58	Portland General Electric	Blyth & Co., Inc.	300,000	$24 1/4	$23 3/4 (34.27)	$24 3/4 (34.74)	$24 (36.39)	+ 1.1% (+ 6.2%)	8.3%	$21.75	$23.09	+ 3.9%	$25.22	- 4.8%
5/20/58	Gulf States Utilities	Merrill Lynch, Pierce, Fenner & Smith	240,000	$43 1/8	$41 (34.59)	$42 1/2 (35.87)	$43 (36.55)	+ 4.9% (+ 5.7%)	4.7%	$39.07	$41.30	+ 4.1%	$43.34	- 0.8%
6/4/58	Florida Public Utilities	Starkweather & Co.; Clement A. Evans & Co.; White, Weld & Co.	220,000	$13	$12 (34.71)	$13 1/4 (36.51)	$13 1/2 (37.15)	+12.5% (+ 7.0%)	8.9%	$10.93	$11.69	+15.5%	$12.84	+ 5.1%
7/16/58	Pacific Lighting	Blyth & Co., Inc.	980,000	$47 1/4	$46 1/4 (36.48)	$46 5/8 (37.47)	$47 1/4 (37.97)	+ 2.2% (+ 4.1%)	13.1%	$40.19	$41.84	+12.9%	$48.15	- 1.9%
7/23/58	Washington Water Power	Kidder, Peabody & Co.; Blyth & Co., Inc.; White, Weld &Co.; Laurence M. Marks & Co.	200,000	$40 5/8	$41 1/8 (36.71)	$39 7/8 (37.18)	$40 3/8 (37.75)	- 1.8% (+ 2.8%)	7.5%	$38.00	$39.06	+ 3.4%	$42.28	- 4.5%
7/24/58	Idaho Power	Blyth&Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith	350,000	$40 1/2	$41 (36.66)	$40 1/2 (37.24)	$41 1/8 (37.73)	+ 0.3% (+ 2.9%)	12.4%	$35.91	$36.95	+11.3%	$42.19	- 2.5%
9/10/58	Washington Natural Gas	Dean Witter & Co.	100,000	$14.70	$13 1/2 (38.01)	$14 1/2 (37.73)	$14 1/4 (37.86)	+ 5.6% (- 0.4%)	10.0%	$12.15	$12.10	+17.0%	$13.45	+ 5.9%
10/15/58	Transcon Gas Pipe Line	White, Weld &Co.; Stone & Webster Securities Corp.	600,000	$23 3/8	$23 1/4 (37.21)	$23 3/4 (38.02)	$23 1/4 (39.09)	0 (+ 5.1%)	6.1%	$21.80	$22.91	+ 1.5%	$24.44	- 4.9%
10/28/58	Florida Power & Light	Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody &Co.	300,000	$78 1/2	$73 1/8 (37.28)	$76 1/2 (38.33)	$78 1/4 (39.43)	+ 7.0% (+ 5.8%)	4.5%	$69.90	$73.95	+ 5.8%	$77.37	+ 1.1%
12/3/58	Public Service Electric Gas	Merrill Lynch, Pierce, Fenner & Smith	700,000	$37 3/4	$34 5/8 (38.52)	$35 1/2 (39.89)	$37 7/8 (41.09)	+ 9.4% (+ 6.7%)	5.1%	$32.85	$35.05	+ 8.1%	$36.94	+ 2.5%
1/14/59	Kansas Power & Light	First Boston Corp.	275,000	$29 7/8	$27 3/8 (41.25)	$28 (41.82)	$29 7/8 (44.01)	+ 9.1% (+ 6.7%)	8.7%	$24.90	$26.66	+12.1%	$29.21	+ 2.2%
1/19/59	Southern Calif. Edison	First Boston Corp.; Dean Witter & Co.	500,000	$60	$59 1/8 (41.31)	$59 3/8 (42.53)	$59 7/8 (44.29)	+ 1.3% (+ 7.2%)	5.4%	$56.64	$60.72	- 1.0%	$63.38	- 5.5%
1/27/59	Central Hudson Gas & Electric	Kidder, Peabody & Co.; Estabrook & Co.	350,000	$19 7/8	$18 (40.75)	$19 1/4 (43.02)	$19 7/8 (43.90)	+10.4% (+ 7.7%)	10.4%	$16.13	$17.37	+14.4%	$19.38	+ 2.5%
2/5/59	Southern Company	Blyth & Co., Inc.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.	1,300,000	$35 1/2	$37 (41.38)	$36 1/8 (43.66)	$35 3/8 (43.59)	- 4.4% (+ 5.3%)	5.8%	$34.85	$36.70	- 3.6%	$38.96	- 9.2%
2/17/59	Southwestern States Telephone	Dean Witter & Co.	140,000	$25 3/4	$25 1/2 (42.34)	$25 1/4 (44.33)	$25 1/4 (43.57)	- 1.0% (+ 2.9%)	14.2%	$21.88	$22.51	+12.2%	$26.24	- 3.8%
3/25/59	Upper Peninsula Power	Kidder, Peabody & Co.; Paine, Webber, Jackson, Curtis & Co.; Stone & Webster Securities Corp.	40,000	$32	$32 1/4 (43.90)	$31 3/4 (44.08)	$32 (45.25)	- 0.8% (+ 3.1%)	11.7%	$28.48	$29.36	+ 9.0%	$33.25	- 3.8%
4/1/59	California Electric Power	Merrill Lynch, Pierce, Fenner & Smith	300,000	$22 1/8	$22 (43.63)	$22 5/8 (44.72)	$22 1/8 (44.79)	+ 0.6% (+ 2.7%)	7.9%	$20.26	$20.81	+ 6.3%	$22.59	- 2.1%
5/5/59	Idaho Power	Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith	150,000	$46 5/8	$46 1/4 (44.89)	$44 1/2 (45.45)	$46 5/8 (44.47)	+ 0.8% (- 0.9%)	5.7%	$43.61	$39.69	+17.5%	$45.83	+ 1.7%
5/20/59	Gulf States Utilities	First Boston Corp.	250,000	$63	$63 3/4 (45.21)	$64 1/2 (45.42)	$63 (44.43)	- 1.2% (- 1.7%)	5.0%	$60.57	$59.60	+ 5.6%	$62.67	+ 0.5%
7/23/59	Public Service Co. of New Hampshire	Kidder, Peabody & Co.; Blyth & Co., Inc.	396,000	$18 5/8	$19 1/2 (44.31)	$18 5/8 (42.40)	$18 1/2 (44.65)	- 5.1% (+ 0.8%)	11.1%	$17.34	$17.49	+ 5.7%	$19.68	- 6.0%
9/16/59	West Coast Telephone	Blyth & Co., Inc.	125,000	$25	$24 1/4 (44.09)	$25 7/8 (45.21)	$24 1/2 (43.38)	+ 1.0% (- 1.6%)	10.9%	$21.61	$21.26	+15.2%	$23.86	+ 2.7%
10/15/59	American Electric Power	First Boston Corp.; Eastman Dillon, Union Securities &Co.	1,200,000	$48	$53 3/8 (45.32)	$46 7/8 (43.38)	$48 (44.14)	-10.0% (- 2.6%)	5.6%	$50.39	$49.08	- 2.2%	$51.99	- 7.7%
10/29/59	Central & Southwest	Blyth & Co., Inc.; Harriman Ripley & Co.	350,000	$60	$65 3/4 (45.22)	$59 (43.44)	$60 1/2 (44.09)	- 8.0% (- 2.5%)	3.3%	$63.58	$61.99	- 2.4%	$64.11	- 5.6%
11/19/59	Atlantic City Electric	Eastman Dillon, Union Securities & Co.; Smith, Barney & Co.	200,000	$29	$32 1/8 (42.28)	$32 (44.24)	$29 (43.45)	- 9.8% (+ 2.8%)	7.3%	$29.28	$30.61	- 5.3%	$33.02	-12.2%
12/16/59	Public Service Electric & Gas	Merrill Lynch, Pierce, Fenner & Smith	800,000	$36 3/8	$38 (44.15)	$37 1/2 (43.38)	$36 5/8 (44.32)	- 3.6% (+ 0.4%)	5.8%	$35.80	$35.94	+ 1.9%	$38.15	- 4.0%
1/20/60	Kansas Gas & Electric	Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody & Co.; First Boston Corp.	200,000	$47	$46 3/8 (43.45)	$45 1/2 (44.26)	$47 1/8 (44.42)	+ 1.6% (+ 2.2%)	8.5%	$42.43	$43.36	+ 8.7%	$47.40	- 0.6%
2/3/60	Tampa Electric	Stone & Webster Securities Corp.	240,000	$27	$25 3/8 (44.11)	$29 5/8 (44.73)	$27 3/8 (44.58)	+ 7.9% (+ 1.1%)	4.8%	$24.16	$24.43	+12.1%	$25.65	+ 6.7%
2/10/60	Calif. Water & Telephone	Blyth & Co., Inc.	210,000	$27	$28 3/4 (44.32)	$27 1/4 (44.51)	$27 (44.40)	- 6.1% (+ 0.2%)	11.2%	$25.53	$25.58	+ 5.6%	$28.81	- 6.3%
2/15/60	Tennessee Gas Transmission	Stone & Webster Securities Corp.; White, Weld & Co.	1,600,000	$34 1/2	$32 1/8 (44.32)	$35 3/4 (44.73)	$34 1/2 (44.13)	+ 7.4% (- 0.4%)	6.4%	$30.07	$29.79	+15.8%	$31.99	+ 7.8%
4/12/60	California Pacific Utilities	Eastman Dillon, Union Securities & Co.	40,000	$19	$20 1/4 (44.13)	$19 (43.87	$17 1/2 (45.53)	-13.6% (+ 3.2%)	11.6%	$17.90	$18.45	- 5.1%	$20.90	-16.3%
4/13/60	West Penn. Electric	Carl M. Loeb, Rhoades & Co.	300,000	$36 3/4	$35 1/8 (44.13)	$36 (44.15)	$36 7/8 (45.55)	+ 5.0% (+ 3.2%)	2.1%	$34.39	$35.46	+ 4.0%	$36.25	+ 1.7%
4/20/60	Transcon Gas Pipe Line	White, Weld & Co.; Stone & Webster Securities Corp.	800,000	$20 1/4	$19 3/4 (44.38)	$20 1/4 (44.45)	$20 (45.72)	+ 1.3% (+ 3.0%)	6.3%	$18.51	$19.05	+ 5.0%	$20.34	- 1.7%
4/21/60	Middle South Utilities	Blyth & Co., Inc.	650,000	$26 1/8	$26 1/8 (44.40)	$25 7/8 (44.45)	$26 1/8 (45.33)	0 (+ 2.1%)	3.9%	$25.05	$25.57	+ 2.1%	$26.67	- 2.1%
5/4/60	Columbia Gas System	Merrill Lynch, Pierce, Fenner & Smith; Carl M. Loeb, Rhoades & Co.; Shields & Company; R. W. Pressprich & Co.	1,400,000	$19 1/4	$19 3/4 (44.12)	$19 1/4 (45.31)	$19 (45.37)	- 3.8% (+ 2.8%)	4.4%	$18.90	$19.43	- 2.2%	$20.30	- 6.4%
6/1/60	Florida Power & Light	Merrill Lynch, Pierce Fenner & Smith; Kidder, Peabody & Co.	400,000	$59 1/8	$57 7/8 (45.20)	$59 3/4 (45.31)	$60 (46.34)	+ 3.7% (+ 2.5%)	2.9%	$56.00	$57.40	+ 4.5%	$59.32	+ 1.1%



Report of IBA Industrial Securities Committee

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months prior to offering the common stocks of 63 of these companies or 57% either advanced or were unchanged in price. Without adjustment for the general market, the 111 common stocks advanced an average of 1.6% during the two months period. On average they did 0.37% worse than the general market.

Conclusion

It is difficult to arrive at any firm conclusions based on the statistical tabulation summarized above. The period under study is not only brief but also one in which the so-called "glamour" stocks received unprecedented public attention.

Over the years there has been a general acceptance of certain theories concerning new cash financings, and it perhaps can be said that this study raises doubt as to their validity. Many have believed that, in a vast majority of financings, the announcement of a new cash offering, non-rights, would have a depressing effect on the outstanding shares. Likewise, it has often been said that a utility cash offering generally has a less pronounced effect than that of an industrial. Thirdly, many investment bankers and corporate financial officers have felt that the diluting effect of a convertible security on the existing market is less than that of a common stock offering.

The market action of the securities in this study was varied, indeed, and it would be imprudent to attempt to prove or disprove any of the foregoing theories based solely on so short a period. However, it seems reasonable to conclude that at least during the period under study none of these commonly accepted theories was confirmed.

The figures would seem to indicate from Jan. 1, 1958 to June 30, 1960 that the announcement of cash equity offerings had no consistent effect on the market price of the issuer's outstanding common stock. They also indicate

Table 3

CONVERTIBLE SECURITIES

Industrial

Date of Offering	Issuing Company	Managing Underwriter	Amount or Shares	Conversion Price Common Stock	"A" Price 2 Months Prior to Offering	"B" Price 1 Month Prior to Offering	"C" Price 1 Day Prior to Offering	"D" % Change 2 Mos. to 1 Day Prior	"E" %Theoretical Dilution of this Offering	"F" Price 2 Mos. Prior (Col. A) Adj. for Theor. Dil. (Col. E)	"G" Theor. Dil. Price (Col. F) Adj. for Change in S & P Index During 2 Mos. Period (Col. D)	"H" % Change from Theor. Dil. Pr. Adj. for Mkt. action (Col. G) to pr. one day prior to offering (Col. C)	"I" Price 2 Mos. prior (Col. A) Adj. for Mkt. action during 2 Mos. period (Col. D)	"J" % Change from price 2 Mos. pr. Adj. for Mkt. action (Col. I) to price one day prior (Col. C)
3/6/58	Olin Mathieson Chem. 5 1/2% Cv. S. Db. '83 (Figures in parentheses are S & P 425 Industrial Stock Index)	Dillon, Read, & Co.; Eastman Dillon, Union Securities & Co.	$40,000,000	$50	$40 3/4 (43.58)	$42 1/2 (44.98)	$37 1/2 (44.25)	- 8.0% (+ 1.5%)	5.7%	$38.43	$39.01	- 3.9%	$41.36	- 9.3%
3/11/58	Sylvania Electric 4 1/2% Cv. S. Db. '83	Paine, Webber, Jackson & Curtis	$20,000,000	$41.40	$34 1/4 (43.80)	$36 1/4 (43.84)	$36 1/8 (45.07)	+ 5.5% (+ 2.9%)	12.1%	$30.10	$30.97	+16.6%	$35.24	+ 2.5%
3/12/58	Mangel Stores 5 1/2% Cv.S.Db.'73	Lee Higginson Corp.	$ 3,000,000	$16 1/2	$13 5/8 (43.31)	$15 (43.66)	$14 7/8 (45.42)	+ 9.2% (+ 4.9%)	26.5%	$10.01	$10.50	+41.7%	$14.29	+ 4.1%
4/3/58	American Electronics 5 1/4% Cv.S.Db.'73	Dean Witter & Co.; Van Alstyne, Noel & Co.; Crowell, Weedon & Co.	$ 3,500,000	$15.40	$14 5/8 (44.93)	$13 3/4 (43.84)	$14 (44.35)	- 4.3% (- 1.3%)	20.4%	$11.64	$11.49	+21.8%	$14.43	- 3.0%
6/19/58	Continental Airlines 5 3/4% Cv.S.Db.'73	Lehman Brothers	$12,500,000	$ 6 1/2	$ 6 7/8 (45.70)	$ 6 7/8 (45.98)	$ 6 1/4 (48.09)	- 9.1% (+ 5.2%)	72.1%	$ 1.92	$ 2.02	+209.4%	$ 7.23	-13.6%
9/17/58	Garrett Corp. 4 7/8% Cv.S.Db.'78	Merrill Lynch, Pierce, Fenner & Smith	$10,000,000	$44.66	$43 1/4 (48.43)	$41 5/8 (50.49)	$42 1/2 (52.85)	- 1.7% (+ 9.1%)	17.8%	$35.55	$38.79	+ 9.6%	$47.19	- 9.9%
10/15/58	Oxford Paper 4 3/4%Cv.S. Db.'78	Blyth & Co., Inc.	$10,000,000	$38	$38 (50.78)	$34 (52.41)	$34 (54.95)	-10.5% (+ 8.2%)	20.9%	$30.06	$32.52	+ 4.6%	$41.16	-17.4%
12/16/58	Cuneo Press 5% Cv S. Db. '78	Hemphill, Noyes &Co.	$ 5,000,000	$16	$12 (54.55)	$13 1/8 (56.90)	$14 1/8 (56.89)	+17.7% (+ 4.5%)	26.2%	$ 8.86	$ 9.26	+52.5%	$12.54	+12.6%
2/11/59	Reynolds Metals 4 1/2% Cv.2nd Pfd.	Dillon, Read & Co.; Reynolds & Co., Inc.; Kuhn, Loeb & Co.	550,000 shs.	$50	$72 1/2 (56.98)	$74 (59.46)	$69 7/8 (57.84)	- 3.6% (+ 1.5%)	9.0%	$65.98	$66.97	+ 4.3%	$73.59	- 5.1%
5/18/59	General American Oil 4 3/4%Cv.S.Db.'84	Blyth & Co., Inc.	$20,000,000	$40	$34 3/4 (60.03)	$34 3/4 (62.15)	$33 7/8 (62.35)	- 2.5% (+ 3.9%)	13.5%	$30.06	$31.23	+ 8.5%	$36.11	- 6.2%
7/28/59	Northrop Corp. 5% Cv.S. Db. '79	William R. Staats &Co.; Blyth & Co., Inc.	$10,000,000	$38 1/2	$37 3/4 (62.67)	$35 3/4 (62.73)	$34 5/8 (64.55)	- 8.3% (+ 3.0%)	11.5%	$33.41	$34.40	+ 0.7%	$38.88	-11.0%
9/17/59	Brush Beryllium 5% Cv.S.Db. '74	Kuhn Loeb & Co.; McDonald & Co.	$ 6,500,000	$48 1/2	$48 1/2 (63.62)	$47 1/2 (63.45)	$47 1/2 (60.87)	- 2.1% (- 4.3%)	14.3%	$41.56	$39.77	+19.4%	$46.41	+ 2.3%
9/29/59	American Greetings 5% Cv.S.Db.'79	Goldman, Sachs &Co.; McDonald & Co.	$ 5,000,000	$40.48	$40 (64.93)	$39 (63.84)	$37 (61.39)	- 7.5% (- 5.5%)	12.2%	$35.12	$33.19	+11.5%	$37.80	- 2.1%
10/20/59	Daitch Crystal Dairies 5 1/2%Cv.S.Db.'79	Hirsch & Co.	$ 3,500,000	$14	$13 5/8 (63.42)	$12 3/8 (59.29)	$13 1/8 (61.00)	- 3.7% (- 3.8%)	13.7%	$11.76	$11.31	+16.0%	$13.12	0
12/8/59	James Talcott 5% Cv.Notes '79	F.Eberstadt &Co.; White,Weld & Co.	$ 7,500,000	$49	$42 1/2 (60.80)	$43 3/8 (61.73)	$44 1/2 (63.46)	+ 4.7% (+ 4.4%)	13.9%	$36.59	$38.20	+16.5%	$44.37	+ 0.3%
12/16/59	Copperweld Steel 5% Cv.S.Db. '79	Dillon,Read & Co.; Ritter & Co.	$ 8,000,000	$56	$48 7/8 (60.86)	$48 1/4 (60.32)	$53 3/4 (63.36)	+10.0% (+ 4.1%)	10.8%	$43.60	$45.39	+18.4%	$50.87	+ 5.7%
3/24/60	Collins Radio 4 3/4%Cv.S.Db. '80	Kidder Peabody & Co.; White, Weld & Co.	$12,000,000	$64	$60 5/8 (60.80)	$54 5/8 (59.54)	$57 3/4 (59.55)	- 4.8% (- 2.1%)	8.9%	$55.22	$54.06	+ 6.8%	$59.35	- 2.7%
4/22/60	Metropolitan Broadcasting 6%Cv.S.Db.'75	Carl M. Loeb, Rhoades &Co.; Kuhn, Loeb &Co.	$ 6,000,000	$16 2/3	$16 3/4 (59.79)	$15 1/4 (59.05)	$15 1/2 (59.31)	- 7.5% (- 0.8%)	15.3%	$14.19	$14.08	+10.1%	$16.62	- 6.7%
6/6/60	Harnischfeger Corp. 6% Cv. Pfd.	First Boston Corp.	70,000 shs.	$29 1/2	$28 1/2 (60.38)	$27 5/8 (58.29)	$25 1/2 (59.97)	-10.5% (- 0.7%)	23.3%	$21.86	$21.71	+17.5%	$28.30	- 9.9%
3/6/58	Iowa Illinois Gas & Electric 3 1/4% Cv. Db. '68 (Figures in parentheses are S & P 50 Utility Stock Index)	White, Weld & Co.	$9,000,000	$34.48	$33 3/4 (32.46)	$32 (34.26)	$33 1/2 (34.34)	- 0.7% (+ 5.8%)	12.6%	$29.50	$31.20	+ 7.4%	$35.71	- 6.2%
6/4/58	Texas Eastern Transmission 5.35% Cv. Pfd.	Dillon, Read & Co. Inc.	100,000sh.	$31.00	$25 3/8 (34.30)	$28 1/4 (36.51)	$28 (37.15)	+10.3% (+ 8.3%)	3.6%	$24.46	$26.49	+ 5.7%	$27.48	+ 1.9%
7/10/58	California Water & Telephone $1.24 Cv. Pfd.	Blyth & Co., Inc.	200,000sh.	$23.81	$22 1/2 (36.46)	$21 5/8 (37.35)	$21 3/4 (37.82)	- 3.4% (+ 3.7%)	11.6%	$19.89	$20.62	+ 5.5%	$23.33	- 6.8%
11/19/58	Central Electric & Gas 4 3/4% Cv. Sub.Deb. '73	Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.	$2,000,000	$21.50	$19 5/8 (38.09)	$19 1/8 (39.33)	$21 (41.24)	+ 7.0% (+ 8.3%)	6.2%	$18.41	$19.94	+ 5.3%	$21.25	- 1.2%
3/10/59	Equitable Gas 4.36% Cv.Pfd.	First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith; Kidder, Peabody & Co.; White, Weld & Co.	60,000sh.	$42.00	$35 5/8 (44.28)	$38 (43.39)	$39 1/2 (44.92)	+10.9% (+ 1.4%)	5.7%	$33.59	$34.06	+15.9%	$36.12	+ 9.4%
4/7/59	Tennessee Gas Trans. 4.72% Cv. 2nd Pfd.	Stone & Webster Securities Corp.; White, Weld & Co.	440,000sh.	$41.16	$34 3/8 (43.05)	$37 3/8 (44.92)	$35 5/8 (45.45)	+ 3.6% (+ 5.6%)	4.8%	$32.72	$34.55	+ 3.1%	$36.30	- 1.9%
10/21/59	Texas Gas Transmission 5 1/4% Cv. 2nd Pfd.	Dillon Read & Co.,Inc.	150,000sh.	$33.33	$32 1/2 (45.19)	$28 1/2 (42.28)	$30 1/4 (44.24)	- 6.9% (- 2.2%)	13.2%	$28.21	$27.59	+ 9.6%	$31.79	- 4.8%
11/10/59	Tennessee Gas Trans. 5% Cv. 2nd Pfd.	Stone & Webster Securities Corp.; White, Weld & Co.	295,000sh.	$37.40	$31 5/8 (43.97)	$31 7/8 (44.23)	$32 5/8 (43.88)	+ 3.2% (- 0.2%)	3.7%	$30.45	$30.39	+ 7.4%	$31.56	+ 3.4%

that (1) the investing public usually looked beyond the short-term dilution of per share earnings to the over-all value of the company, and (2) the offering of a new issue could usually be distributed efficiently by underwriters without upsetting the existing market for the company's securities. This remarkable record should be studied carefully by company officers who are considering expansion programs and the attendant capital requirements.

Respectfully submitted,

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Chicago, Ill.

Business Community Must Shoulder Its Responsibility

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cause they are not controllable. This represents the sales cost of our doing business.

Yes, we do have big government in this country, and it is growing bigger, and it is growing much more costly.

Each one of us, in our enterprises, normally has what is called "A Board of Directors," but we have on that Board an individual Director, who certainly is its Senior Member, who certainly is its most important member, who certainly is its most influential member, who certainly does more to regulate our business than any one of the other Directors that sit upon that Directorate. He represents, in most cases, 52% of the profits of our particular business.

Now, we very carefully select our directors in my company. We select outstanding men who can help to manage the affairs of our institutions. And yet what do we do in the selection of that individual who is that Senior Member, and most influential member, on our Board? In fact, if I might say, we give very little attention to the selection of that particular individual.

To Whom Are They Beholden?

Last November 8, we went through a major national election, and we gave our attention to the selection of a President and a Vice-President, and we elected some Senators, and we elected a complete House of Representatives, and we elected some Governors, and we elected a lot of officials of lesser importance, perhaps, at the local levels of government. But we did not do our home-work very well. We overlooked, undoubtedly, the most important people that we have in American government. These are the people who selected these individuals that we voted for. These are the individuals who organized the campaign so that these people might be able to run for election. They financed this election, and then I would ask you: Who are those individuals who have been so selected; who have had this process arranged for them; who have had this assistance in being elected to office—to whom are they beholden? Ask your Congressmen; ask your Governors.

I have had the privilege of sitting behind closed doors in many of the offices of our elected people on the Hill in Washington and I have talked to many Governors around this country, and they have told me the truth of this story. They have told me, as one Governor told me, and he is of an opposite political base of my own, he told me that if we cannot accomplish this thing to which I am so dedicated, he would have no faith in the future of the freedom of our type of government in this country.

Who Makes the Laws?

I would ask you: Where are laws made? Many of us think that, of course, our laws are made in Congress, or they are made in our State Legislatures. I woulld suggest that that is not exactly true. Those laws are made, to a large extent, bv the people who did this job of selection, who did this job of organization, who did this job of financing. And when these people become confused with all of the lobbying that we do, which costs many millions of dollars to American business, when we finish with that process and confusion is in the minds of these people, they go back to these individuals to whom they are beholden for their election.

The Challenge Made to Business

I will ask you to think of that very carefully. Have we been willing, as individuals in this nation, to help regulate human behavior? Have we been willing to be a part of our government? Have we been frightened, too greatly frightened, by those individuals who would have us stay out of the sacrosanct preserves of the politician? Have we been frightened, perhaps, by the sign that has been hung up so many times: "Help—not wanted," to discourage the businessmen from taking his part in the government which is his government? Have we been frightened by a statement such as was made not too long ago in the public press, and it was widely used in the press throughout the nation, and I will quote that statement in regard to businessmen taking a part in politics. Mr. George Meany, President of the AFL-CIO, declared:

"My advice to the business community, and I mean this seriously, is that they had better just send in their money and stay the hell out themselves. You see, they have got the money, but we have got the people, and in a contest between money and people, there is no doubt of the result."

I would only agree with the last sentence of that statement that was made by Mr. Meany. There is never any doubt, when it becomes a contest between people and money — the people will always win.

Now, if we have to accept a challenge in American business—and I do not like to see groups set against other groups in our society—but if we have to accept that challenge, I would suggest to Mr. Meany that he recognize the fact that there are 68 million people in our working force; there are $4\frac{1}{2}$ million corporations in these United States, and those corporations are filled with people who have worked hard to build a free enterprise system. They have built that system and I think they want it protected.

What has been our answer? Have we criticized? I don't know how many times I have gotten up from a luncheon table in our very nice business luncheon clubs

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in complete disgust because I have heard businessmen criticize their government and then be completely unwilling to do anything about this very fundamental problem.

Do We Vote and Support a Political Party?

Do we vote? I don't have to ask how many people voted in the recent election, and I would be even more ashamed of the number who did not vote in some of the lesser elections that we have had in the past. I know that there are 35% who did not exercise this franchise. This right to express an opinion on who shall be those individuals who govern us in this country of ours.

Do we contribute? I would ask you that, if we do contribute, do we contribute enough? Shortly before April 15 each year I set up my deductions for income tax, as many of us do. I have about four pages of them: all memberships in something; all contributions in something to which I believe, or membership in something that I prize rather highly. But the membership that I prize most highly is my political party. I would be most hopeful that they will never give a tax deduction for the contributions that I make so that we might maintain a free political system, as we have it—certainly the finest of all the systems on the face of this earth.

Do we take part in this party of our choice? Unfortunately, we do not. What do we contribute? Are we workers in the party of our choice? Emphatically I say: No. We have been apathetic.

We have a Constitution in this country, and as I have read that Constitution many times, I think it says in effect that it is a Constitution of the people; it is a Constitution for the people. But I would call attention to the fact that it also is a Constitution *by* the people, and that assumes responsibility on the part of those people who have been given freedom under that great Constitution.

I thought so many times how wonderful it would be if on Election Day, as we have to stand in line to cast our votes, if each individual might be handed a copy of the Constitution and the Bill of Rights. They would have the time to read it, and I think it should be reviewed most frequently by the people of our nation.

Changed Governmental Philosophy

But what has happened? A change in philosophy in the past few decades? Yes, decidedly so. We have had a new philosophy of government born, and it gives me very deep concern, and I hope it might give everyone concern.

If I were to look through the English dictionary, and if I were to try to find words that mean the most to me, probably I would select: "God" and "Love" as the two most important. But next to that, and very close to it is this word: "Freedom." There is something, there is a surge within me every time I use the word: "Freedom." I love that word.

And yet it bothers me so much when we have, unfortunately, in our philosophy of government; when we have used it in conjunction with the preposition: "from," and I would suggest that we change that little preposition, the preposition "from" to the preposition: "to."

I would ask: Do we need any freedom from starvation in this country of ours, when we have the freedom to work and to sustain ourselves and our families in any way that we might wish or we might desire?

Do we have any fear that we need any freedom from ignorance as long as we have the freedom to educate ourselves in a free educational society? I would ask that as we work within that educational system, to attain for ourselves any heights of culture or productivity to which we might aspire.

Do we need any freedom from oppression in this great nation of ours, when we have been given freedom to govern ourselves as individuals and to be a part of that governmental system?

And most important, and, of course, the most priceless of all the great freedoms, I would ask: Do we need any freedom from ideological regimentation if we will so very carefully guard that great freedom that we have to worship as we please, and never be forced to worship our State as our God?

What Are the Political Arguments?

And have we studied our platforms as carefully as we should? We listened to some great debates, and in those debates, supposedly, they were talking about the various parts and parcels of the platforms of our two great major parties. I would ask: has it only become a matter of degree? In the debates were they actually arguing about basic issues, and basic principles, and basic philosophies, in concepts of government, or were they only arguing about the degree to which government should do things for the people, instead of talking about what people can do for themselves? I would challenge everyone with that particular thought.

I would ask if either one of our major parties have actually been willing to come forth and to proclaim the rights of man to complete freedom, to a recognition of his human dignity.

I would ask also has either one of our major parties been willing to come forth and to proclaim that the State should serve the individual and protect him in his enterprise, rather than so many times to do a very poor job of attempting to be his master.

Now, what can be done? I don't believe in being critical, but I am being critical of myself—myself, as I have seen myself in the past.

Tells of Eisenhower's Challenge

I would like to tell the story of what has happened. How can we get creative activity on the part of individuals? How can we motivate people to do something? Well, about 8 years ago a great American, who will be leaving high office in this country in just a very short period of weeks, asked five of us if we would come to Denver, where his headquarters had been estabilshed following his nomination at the Chicago Convention. And the five of us were challenged with a very simple little thought, because he is basically—and this is why I love him—he is basically a very simple person, and a very wonderful individual. And he asked the five of us: Why is it that as people make these contributions to social problems, as they work in their community affairs, as they give of their leadership; as they give leadership to the free enterprise system—why is it that we do not find these same people within the party system of our government?

We sat up until about 3 o'clock that morning with this challenge and we decided to do something with it.

Frustrations—of course, there are frustrations with anything that one attempts to do.

Political School for Businessmen

I don't know what happened to the other four, but my dedication was deep. Five years ago for the first time in the history of this country a practical politics workshop was held at Princeton University up in my home State of New Jersey. Thirty-seven businessmen sat for five days, and what did they learn? They learned politics. They learned: What is instruction? They learned: How they could be active; how they could get a sense of accomplishment from doing something in the field of politics. And they went out of there with an enthusiasm that certainly bore out everything that we believe: That, actually, creative activity starts with the educational process.

There were 37 people on the faculty, and because I happen to be a Republican I insisted that 19 of those 37 be Democrats, and that 18 of them be Republicans. That is what we had. And they learned politics from the national level all the way down to precinct captains, to county chairmen, to the Mayors, to the Legislators. And they were excited, and today they are in politics.

How the Great Syracuse Plan Started

Now, that was just the beginning. But sitting in that group of 37 was a young man from General Electric, and he went back up to Syracuse, where he was a Public Relations Officer of the General Electric Corporation. With that excitement that he had, he called the home office and said: "Can I have some time off? Can I have a little money? I would like to implement this." We did not have the money to implement, as we would have liked to, this particular program. And as a result there came into being the Great Syracuse Plan, which eventually became the plan of the NAM.

The U. S. Chamber of Commerce Program

And then we had an opportunity also to have participants from United States Chamber of Commerce, and that led to what is now the most dynamic of all the programs that have been created to help educate people on what can be done in the field of politics; how can we give of our leadership.

It is my privilege as a Director of the United States Chamber of Commerce to be in charge of that particular activity.

From a start of no money, businessmen completely apathetic, completely uninterested in being a part of our political system, today there are over 100,000 by count, and I think probably it is double that number, because we can't count them all — who have gone through practical politics courses, learning how to be active in the party of their choice: A complete non-partisan approach.

Cites the City of St. Paul and Other Cities

Will there be results? I could give you several dozen examples of what has happened when these people went into the party system and became active. I can only refer to just a couple of them in this discourse. Up in the City of St. Paul the great three M's organization, Minnesota Mining—Herb Butah, its great president, became motivated, and at the last count 3,015 people out of his management group had learned something about politics. Then Mr. Butah also had gone out to some of his fellow presidents in that area, and he had motivated them, and they accepted the challenge, and we added another 2,000 people. Then those 5,000 people, with this new knowledge that they had, the new knowledge of politics, decided to do something about it. For 20 years there had been bad local government in St. Paul. It had not been conducive to economic growth of that particular area. So they decided to do something about it, and they took one of their participating members, and today he is the Mayor, and they took over the City Council.

Carlsbad, New Mexico, is a little town of 25,000 people. Eight hundred people in that small community went through this practical politics course of the Chamber of Commerce—and incidentally, any group can do it. Ladies, for example, are better politicians than the men will ever be, and they are doing it in their sewing circles; they are doing it in their church groups; they are doing it all over these United States. But down in Carlsbad 800 people, again became politically wise and they decided to do something about it, and, as a result today, they control the City government. They put a Congressman into Congress. They passed a very constructive and a worthwhile educational bond issue which had been defeated 10 times—they passed it by 10 to 1 in the voting.

A little town of Kennedy, Texas—and the name was not changed after the recent election—reveals a very exciting story on how these people had done something about their local government. Nobody imagined they could take over the government of that community and make it a constructive government for the good of the citizens of that community. The thing is working.

There are about 380,000 people who are our elected officials at all levels of government in these United States, and the day will come, I predict, not when we will have 100,000, 200,000 people—our goal is a half a million in another year—our goal beyond that is at least a million people. And what are we trying to do? We are trying to do a simple thing. If you want good laws, let's get some of the people who understand our free enterprise system, who believe in it, who want it protected, let us get those people down here at the grass roots political level. One does not have to run for office. Many are members of Rotary Clubs, Kiwanis Clubs, and have been in the past. Many are members of a Chamber of Commerce; some younger men are in the Junior Chamber of Commerce. We can have a lot of satisfaction. We can have a lot of fun and we can get just as much satisfaction, even perhaps a little more satisfaction, because the great corporations of our country have finally said to their employees: "This now is within bounds. We have permitted you to do these other things, and now you can also participate in politics." They have been able to do that because for the first time we have found the key to it.

Refers to His Own Experience

As a president of the corporation I, of course, could not recruit to the party of my choice. But I can recruit with enthusiasm all of these great civic agencies that we have, and all of the other activities in which our people are asked, and so willingly make a contribution. Now I can certainly most enthusiastically recruit to an educational process, and if the motivation is created in the individual, he makes the choice of the party that he wishes to participate in.

Even though I am a Republican, when the young people of my company come to me and they ask: "I have not made a choice yet as to which party I would like to participate in"—you know the party I tell them to get into? Get into the Democratic party. As much as we need business leadership in our Republican party, so do we need a lot more of it in our Democratic party.

We need a melding of the opinions of our business people down here at the grass roots level, along with those people from labor, and incidentally I might digress long enough to state that they stole our idea about three years ago, and they ran with it a lot faster, and they have 300,000 people who are already trained and are active in politics and they are doing a good job. They found it is not too difficult to become a Precinct Captain. You do not have to have many votes. You can take few people from your neighborhood and you can walk in and you can take over. If you get enough of these Precinct Captains you can go to the County Convention, and you can have the County Chairmanship. And then what happens? Then you are in the position where you do the selection process; where you organize the campaign and finance the campaign.

Manning the Sub-Structure of Good Government

Let us man this sub-structure of good government. Let us be these Precinct Captains and the County Chairmen and the Committee Workers. We do not find many businessmen there.

In talking to some of our leaders in American government, our political leaders, I have had this experience so many times. Several years ago when Bob Kennon was the Governor of Louisiana I talked to him for about two hours one morning and he said: "Is it possible that you can stay for lunch? I would like to call in my cabinet." And we had a wonderful luncheon there at Huey Long's old mansion. And what did we talk about? We talked about businessmen and politics, and without exception what did these men say? "Oh, if you can only accomplish this." "We would like to find you in grass roots politics; we would like to find you and we would like to find your counterpart, but we don't find you there, and when we have to go back to the people to whom we are beholden — we are not too pleased with those that we find. Let's bring this process back to Main Street." That is right where I believe our Constitution places it.

The Other Basic Problem

There is another problem, and this is the second thing that is of great concern.

Government sets the tone, I think many will agree, for fiscal responsibility, and yet, as we frequently do, we cannot blame government completely for the inflationary problems that have been created in this nation. We cannot take the blame off of American business. We are partially to blame. We cannot take it from the labor bosses; we cannot take it from the farmers; we cannot take it from the Veterans; we cannot take it from all the pressure groups.

Now, if we can fashion government responsibility, so do I believe we can help certainly to fashion monetary or fiscal responsibility, and the health of industry. If one is looking for a selfish reason, the health of one's industry should give that reason.

At Last, an Association of Associations

Here is another story of motivation. On Nov. 2 of last year, for the first time in the history of this nation has it ever been done, we called together representatives of 48 of the major national groups, organizations and associations of our nation. They met together in one room. It had never happened before. And what did we talk about? We talked about this thing that everybody articulated as the No. 1 problem of our nation. Bob Murphy who probably has been as great a diplomat as we have ever had in the history of our country, has told me that not only is this the No. 1 problem that we have nationally, but this is the No.1 international problem that we have, and nobody, certainly nobody in our nation is in a better position or has been in a better position to judge what are the great problems.

Held Up Because of the Election

And so something was going to be done, and it was the mandate of that Conference that there be established an organization for the first time to bring together all of the forces of these great associations; all of them concerned with a common problem, so that we might be able to take a common approach. We have a program ready. This program would have been launched three or four months ago. There has been a lot of hard work, there has been a lot of frustration, there has been quite a lack of leadership, which I thought might be forthcoming from those people who have been critical of this particular problem. But we did not want to get it into the political arena, and so we are ready now to launch a program of great magnitude.

I am one who certainly abhors the redundancy of organizations, because I have to sit in judgment as to which of these organizations my company will support, and to whom we are going to make this contribution. But when I go over that list I might say that I first go through and pick out those things which I think deal with fundamental problems. And this is a fundamental problem.

Now, why are we using the associations? Because they have a built-in organization, and isn't it wonderful that we have all these associations in America? We have built-in, a means of distributing information. We have built into our organizational structure a means of motivation, a means of getting action. All we have done is to establish a clearing house so that the best ideas of all can be brought together and then disseminated on a broad base through all of the other associations; and to create those things that have already not been created, so that the public might understand its particular problem and do something about it.

Inflation Is the Top Problem

Yes, it is the No. 1 problem of our nation, in spite of the fact that there have been recent statements that inflation is no longer a problem of our nation. Yet I would point out the fact that the cost of living recently went up again. It is an all-time high. If we were to even assume that it has been retarded, or that this problem has been solved, then I think that you might say: "Well, let's set back; there is not going to be any more price rise; we are not going to have any more people pulling gold out of this country because of foreign competition. The thing has been stopped." But I would say to you that if I had been seriously ill for a period of 20 years I would want to know what caused that particular illness; I would not want to see it repeated.

There has been a very insidious, an extremely insidious and very deadly disease which has ravished our economy and it has been with us for almost a quarter of a century. It has reduced the value of our dollar to approximately 48 cents. It is the primary cause, I believe many would agree with me, of the mountainous national debt which we have in our nation. It is responsible for our high tax rates, our record expenditures, and the constant threat of governmental deficits.

It is a disease whose temperature, of course, is recorded by our mounting price structure, and by the subnormal purchasing power of our American dollar. It is, in the words of the very eminent financial adviser, Bernard Baruch, the greatest single peril to our economic health. It is this thing that we call: "Inflation." We have had a very, very serious dollar disease in this country of ours for a quarter of a decade.

Still Prefers Fixed Dollar Investments

Now, I am not a pessimist. In fact, I am a great optimist. All of my dollar still go into fixed dollar investments. And I believe in America, and I believe that there can be a sound American dollar.

It has been wisely stated that inflation parallels Communism, and that it must be contained as Communism must be contained throughout the world today. But both of these great diseases, and both of these great threats, I think you would agree, feed upon economic instability. And both of them will, of course, decimate our free society unless they are so contained.

Yes, inflation has destroyed the value of our dollar at the rate of about 2½% for the last 20 years; 25% in the last 10 years.

I am quite willing to admit this, and I pay tribute to the administration of our government that it certainly retarded the inflation-

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ary problem in the last eight years. But it is still 25% in the last 10 years.

Now, where is this sickness that I am talking about most felt? Of course, it is felt by the people who are retired, with the aging of our population, 18 millions of them and growing very rapidly, as our mortality tables will show us, in the life insurance business. Not only has this become an economic problem but it has become a terrific, tremendous social problem in our nation.

Welfare Program for the Aged

I had the privilege, if you can call it a privilege, of being on the Advisory Committee for the White House Conference on the Aging. I was down there very recently, and, incidentally, I developed a bad back and started getting aches in my back, because we just had been talking about all the problems of the aging — I really felt aged after I finished with that one. But I will make a prediction: Unless this thing is kept under control, we haven't seen anything yet. There will come out of this Conference — and I don't think President Eisenhower ever foresaw what might happen — the greatest group of new welfare programs that you have ever seen. We are going to do everything for the aging. Why not spend our time talking about what should be done fundamentally? How can we teach these people to take care of themselves so that there will not be these problems of the aging? My company is doing something about that.

And then, secondly, where this disease has been felt, of course, is in taxation. Taxation, of course, finds its sources in our people. When we have progressive inflation, we have progressive increased taxation.

About 146 billions of dollars are necessary to take care of all the expenditures that we have of all units of our governments. But if this rate of inflation were to continue at 2½% it will then take 3 billion 600 million dollars more in taxes in each year just to take care of inflation and the inflation problem. So we pay for it twice. We pay for it as we pay for goods and services in our everyday life, and we pay for it in increased taxes.

Economic Growth

And what about economic growth? Is the ill felt there? I think you will agree with me that it is. Economic growth to all of us means that people want more things, they need more things. They want more things, they need more things. We want more things and we have to have more things through an expanded population. There is a desire for a higher standard of living which I am sure we all possess. We want more homes, roads, schools, hospitals, medical research facilities, new business units, appliances and tools of production, and replacement, of course, of those things which are obsolete in our economic society. And where is all this going to come from? The 7% of disposable income that is not used for current goods and services.

Suppliers of Growth Capital

Life insurance and our particular business provides about 25% of the capital which is needed for long-term finances. And, of course, the Savings and Loan Associations, the Savings Banks, and the Commercial Banks also do a tremendous job in providing the capital which is necessary.

All this growth, it seems to me, is dependent upon savings, but more important, it is based upon the incentive that people have to save, and if we should lose that incentive — and I think we can note that there has been some loss of that incentive — through the fear of inflation, then people are going to invest in those commodities which are already in existence. That is all right to a certain extent, but we have to have a balanced society; we have to have capital flowing in for long-term economic growth.

Problem of Employment

And then a fourth area of where the sickness has been felt is jobs. Inflation is exporting jobs from our nation. Since 1946 over a million jobs have been so exported from the United States.

I wanted to buy a pair of loafers not too long ago, and I happened to be walking down the street and had been looking all over for these loafers. They were a woven type of thing. Finally I saw a pair and I walked in and I bought that pair of loafers. I was a little surprised at the cost of the loafers. I thought they would be higher. And as I talked to the salesman, I said: "Where were these manufactured?" He said that they were manufactured in Italy. "By whom were they manufactured in Italy?" "By our company." "Well, how did that come about?" "Our company bought a factory over in Italy. They took some high-grade management people and sent them over there and today they are manufacturing these shoes or these loafers at a cost of about half of what they might be produced for in this particular country."

Foreign competition has had some deep bearing upon the flow of gold from our nation.

And then a fifth one: inflation destroys job opportunities. It has been said more recently that it takes about $19,000 to provide a new job. I am going to use a more conservative figure. I am going to say $16,500. We will need in the next 10 years about 15 million new jobs. Our savings that we have, about $500 billion of those savings, 2½% inflation, raids those savings by about $12½ billion a year, which would provide 750,000 new jobs in 10 years—$7½ million.

Are we going to provide the new jobs? Are we going to do it the hard way, or are we going to do it in a way which might be basic and might be fundamental?

Sixty - eight million people working in this labor force of ours. About a quarter of them, a little less than that, are unionized. But I would suggest today that those 68 million people, union and non-union, want certain things. They want an increase in real income. They want a restoration of the purchasing power of their pensions and their fringe benefits. They want an elimination of the threats that we have to job security. They want jobs for their children, and they want jobs for their grandchildren, and, as never before, I think they want, and I honestly believe this—they want more productivity in their daily work.

The Price Tag

And the sixth area, and the last one: What about this price tag? What have we paid? The American consumer suffers from 2½% inflation. This means that our savings are decimated by about, as I have indicated, $12½ billion a year. One hundred and twenty-five billions of dollars in 10 years, in one decade. Our annual income that we have in this country is reduced by about $10 billion a year; $100 billion in 10 years. Our retirement income is about $4½ billion less, $45 billion in 10 years. And as to the food and beverage bill, $2 billion more every year, or $20 billion in 10 years. Associations may not even be able to afford to have conventions if this thing is not retarded. Future Social Security, one and one-half billions of dollars less every year. Private pensions, $825 million less every year of the value of those pensions.

Medical care, the cost goes up, $412 million a year. And the life insurance benefits, I take this very seriously, and I took it very seriously a year and a half ago. It frankly was my motivation. When some of my policyholders started to write to me and say: "What are you doing as president of your company about this problem?" I decided maybe I should do something about the problem and I did something about the problem. We have approximately over 500 billion of promised benefits in the life insurance business. Again 12½ billion less value to those things that have been promised, with a 2½% yearly inflation.

I signed my name to contracts —I didn't sign them, but the facsimile was there on contracts promising $750 million in my one little company alone last year. And I take the signing of those contracts somewhat seriously. The price tag of a little inflation, called tolerable by some.

Time to Call a Halt

Now the road to a stable dollar is not an easy one, today. These are very complex matters that I am talking about. The roots and the causes of this disease are very deep in the path. They can't be eradicated. We just can't take a pill. We have to take some long-term cure for what is our disease. But it is a fact, and I think many will agree with me, that the corroding manifestations are beyond question, and I think many will also agree that the time has come to call a halt.

This is not a mysterious malady from another world. Inflation is man-made, and it can be man-controlled. It is man-made through faulty concepts. It is man-made through indifference; through ignorance, and through the design of special interests we have in our country. It is man-made though a mistaken attitude that it helps achieve economic growth. As clearly as I can say: I deny that. Our economic growth will come through stability of our dollar.

And certainly it is made-made through citizen neglect; a lack of understanding and a means of taking action.

We have a crusade, and it has a purpose. We are going to pursue it. We would ask everyone's help in this great crusade, to take to the American people this problem of inflation. What are its causes? I have a little pledge-card in front of me telling people exactly what they can do. What are its causes? What are its effects; and what can an individual do about it?

Let's identify it very clearly. Let's identify it very simply for what it is: A very destructive force, cruelly taxing every family and giving absolutely nothing in return to the American citizen; and certainly at the same time impeding the economic growth which is your interest and which is my interest.

What I am talking about is a pioneering enterprise also, where we can take a common problem and through united planning and action of all of the great people who are gathered together in associations whereby we might be able to crystallize public opinion for major reforms and goals, and for, of course, the public welfare.

Summary

We have looked at two problem areas, and the latter that we have talked about is not going to be solved, without our giving attention to the former. Neither is going to be solved unless we do something about it, and unless I do something about it; unless together we help to harness the creative activity of people.

I accept the urge of leadership in this area and other areas because there is a great satisfaction in seeing what can happen when you can stimulate people to use their activity creatively.

An Essay

I have written an essay. I wrote this essay because our particular company was very much discouraged as we watched the changing of the connotation of the word: "Security." We are a security institution, and we think it is right that we can delve into the basic problems of security. And so in 2,000 high schools around this country, and actually 50,000 kids in two years, each of two years wrote essays on the subject of: "My True Security." Then they gathered together down in Washington with their Senators and their Representatives. Wonderful kids out of high schools, oh, just tremendous kids, and three people were given top scholarships. The State winners from the 50 states were all given smaller scholarships.

I didn't want to ask these kids to write an essay unless I did it myself. What are my basic philosophies? What are my basic concepts? This is what I believe.

Author's Essay

All human beings grow in dignity and self-respect by reason of accomplishment and the assumption of responsibility. The spirit of independence, or of confidence, or of self-reliance is mightily nourished by the exercise of one's own efforts. Moral stature is increased and moral fibre is strengthened by each job done with the free play of one's own ability. Ambition, which inspires men to attainment, is fed by an atmosphere of endeavor. In short, a man develops by standing on his own feet. He does not wax strong by having others do for him what he can and should do for himself.

Are we interested in the cultivation of these qualities in our own citizenry? Have we properly appraised the value of the spirit they create, in terms of a powerful influence for the preservation of freedom in America? If this land of opportunity, where men traditionally have enjoyed more independence than in any other, is to maintain that national spirit which has blessed it from the very beginning, it must carefully foster the dignity, self-respect, moral stature, and self-reliance of the millions of individuals who make up the integrated whole.

Too much coddling, too much paternalism, too much recession from personal responsibility can have a decidedly weakening effect upon the aims and purposes of man. With the possibility of lapsing into a false feeling of security provided wholly by others, whether in financial matters or in business and social relationships, one of the spurs to maximum effort becomes inoperative. We should take thought then, serious thought, that in our over-all approach to this matter of planning security, we do not adopt methods which will wither the spirit while catering to the needs of the flesh.

Individual security is the product of a man's continual growth toward the ability to meet the changing conditions of life and to adapt to them whatever they may chance to be. It is the ability to size up a situation properly and correctly—and to handle it competently and confidently. It is—maturity. It is man's doing as much as he can for himself, and wanting as little done for him as possible.

The mature man, the secure man, plans. The immature, the insecure man has to have things planned for him.

For the infant cries for his mother: the adult plans for his family. The boy plays in today, but the man works for tomorrow. The child sees what he has and wishes somebody would give him more, but the man foresees what he will need, and plans so that he will have it. To the child, it is always "now." To the man, "now" is only the beginning of what can be.

The grown man, the mature man, plans for his security. He knows that neither his personal nor business security can be donated from without. He knows it can only be created from within himself. He knows that the planning of his own moral, physical, and economic development are more than his democratic right. They are his personal duty. And so—he plans. By himself, for himself, to the very best of his ability.

This, too, I believe. A great many people share with me a growing concern that as more and more is done for the individual, more and more this stifles in him his initiative to do things for himself.

I believe: That the man who knows his security is of his **own** making is armored against attacks upon his security of **others'** making.

I feel: That a people collectively yields to demagoguery or isms because the individuals composing it are lured by the promise of having more and bigger things that they want done **for** them.

I know: That this ends in human beings having things done **to** them that they do not want.

This, finally, I most earnestly believe: The man who has learned to speak for himself will not quickly yield to being told what to say.

The man who has learned **to think** for himself will not supinely succumb to being made a slave. And the man who has learned **to plan** for himself so that he can stand on his own feet—will never agree to plans for himself or fellowman that would drive them to their knees.

Never before in our history have we so needed individual maturity and self-reliance among the great body of our citizens and the sense of **true security** which it brings.

*Transcript of an extemporaneous address made by Mr. Palmer before the 49th Annual Convention of the Investment Bankers Association of America, Hollywood, Fla., Nov. 29, 1960.

To Be V.-P. of Donaldson, Lufkin

On Dec. 31 John W. Corcoran will become a vice-president of Donaldson, Lufkin & Jenrett, Inc., 51 Broad Street, New York City.

Burnham & Co. To Admit Two

Burnham & Company, 15 Broad Street, New York City, members of the New York Stock Exchange, on Jan. 1 will admit E. Stanley Peters and Theodore Rosen to partnership. Mr. Rosen is the firm's sales manager.

Jacie B. Raiss will withdraw from partnership in the firm Dec. 31. On Jan. 1 David M. Minton, Jr., a general partner, will become a limited partner.

Phila. Inv. Ass'n Elects Officers

PHILADELPHIA, Pa.—Herbert S. Bengtson of Schmidt, Roberts & Parke, was elected President of the Investment Association of Philadelphia at the annual meeting and election held Dec. 8. Mr. Bengtson succeeds H. Gates Lloyd, III, of Drexel & Co. whose term expired.


Herbert S. Bengtson

Other officers elected to serve for the ensuing year were John J. F. Sherrerd of Drexel & Co., Vice-President; Harry J. Kirby, Jr. of Blyth & Co., Inc., Secretary, and Henry E. Crouter of DeHaven & Townsend, Crouter & Bodine, Treasurer.

In Attendance at Convention

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BURKHOLDER, H. FRANK
Equitable Securities Corporation, Nashville
BURNHAM, II, I. W.
Burnham & Co., New York
BURNS, ARTHUR C.
Dominick & Dominick, New York
BURNS, JAMES F. III
Blyth & Co., New York
BURR, EDWARD B.*
William Street Sales, Inc., New York
BURR, R. PETERS
F. S. Moseley & Co., New York
BUSH, ROLLIN C.
First National City Bank, New York
BUTLER, JOHN G.*
Prescott, Shepard & Co., Cleveland
BYRNE, EDMUND C.
Phelps, Fenn & Co., New York
BYRNE, WILLIAM D.*
Phelps, Fenn & Co., New York
CADWGAN, GORDON
G. H. Walker & Co., Providence
CADY, CHARLES E.*
Cady & Co., Columbus, Miss.
CAFONE, THOMAS C.
W. E. Hutton & Co., New York
CAHILL, THOMAS J.
The Chase Manhattan Bank, New York
CAHN, Jr., WILLIAM M.
Halle & Stieglitz, New York
CALLAHAN, THOMAS T.
Finance Magazine, Chicago
CALLAWAY, DAVID H.*
First of Michigan Corporation, New York
CALVERT, GORDON L.
Investment Bankers Association, Washington
CAMPBELL, IRVING H.*
Bell, Gouinlock & Co., Toronto
CANNON, FRANCIS A.
The First Boston Corporation, New York
CARBERRY, PATRICK
The Wall Street Journal, New York
CARLSON, J. HOWARD
Carl M. Loeb, Rhoades & Co., New York
CARPENTER, EDWARD E.*
McDougal & Condon, Chicago
CARR, FRANK C.
John Nuveen & Co., Chicago
CARRISON, H. GEORGE*
Pierce, Carrison, Wulbern, Inc., Jacksonville
CARROLL, LEE W.
Lee W. Carroll & Co., Newark
CARTER, Jr., HUGH D.
Courts & Co., Atlanta

*Denotes Mr. and Mrs.

CARTWRIGHT, TODD
Sweney, Cartwright & Co., Columbus
CASEY, DOUGLAS
A. C. Allyn & Co., Chicago
CASEY, Jr., JAMES D.
A. C. Allyn & Co., New York
CATE, Jr., HENRY F.*
The Keystone Company, Boston
CECIL, O. V.*
Merrill Lynch, Pierce, Fenner & Smith, Inc., New York
CHAMBERLAIN, MELVILLE P.*
Chemical Bank New York Trust Company, New York
CHANDLER, JAMES W.*
W. L. Lyons & Co., Louisville
CHANNER, FREDERICK W.*
Channer, Newman Securities Company, Chicago
CHAPIN, Jr., JOHN R.
Eaton & Howard, New York
CHAPMAN, Jr., ALGER B.
New York Stock Exchange, New York
CHAPMAN, DWIGHT W.*
Wells Fargo Bank American Trust Company, San Francisco
CHAPMAN, R. C.
Fulton, Reid & Co., Cleveland
CHARTERS, R. MICHAEL*
Assn. of Stock Exchange Firms, New York
CHISHOLM, FRANK A.
Varnedoe, Chisholm & Co., Savannah
CHRISTOPHEL, ARTHUR A.
Reinholdt & Gardner, St. Louis
CLAPP, Jr., JOHN J.*
R. W. Pressprich & Co., New York
CLARK, FORRESTER A.
H. C. Wainwright & Co., Boston
CLARK, HAROLD W.
Clark, Landstreet & Kirkpatrick, Nashville
CLARK, JOHN C.*
Wachovia Bank & Trust Company, Winston-Salem
CLARK, JOSEPH F.
Municipal Finance Officers Assn., Chicago
CLARK, ROBERT E.*
Calvin Bullock, Ltd., New York
CLARK, ROBERT M.*
Blunt Ellis & Simmons, Chicago
CLARK, WILLIAM H.
Merrill, Turben & Co., Cleveland
CLARK, WILLIAM N.
Chicago Tribune, Chicago
CLARKE, HARRISON*
Johnson, Lane, Space Corporation, Atlanta
CLARKE, JAMES H.
American National Bank, Chicago
CLAYTON, CALVIN W.*
Clayton Securities Corporation, Boston

CLAYTON, JOHN B.*
First National Bank, Dallas
CLUETT, W. SCOTT*
Harriman Ripley & Co., New York
COAKLEY, VINCENT P.
Bear, Stearns & Co., New York
COCULO, T. ANTHONY
Fidelity-Philadelphia Trust Company, Philadelphia
COGGESHALL, J. WELLS
Colonial Distributors, Inc., New York
COLLINGS, Jr., CLIFFORD C.*
C. C. Collings & Co., Philadelphia
COLLINS, JULIEN H.
Julien Collins & Company, Chicago
CONEY, AIMS C.
A. E. Masten & Co., Pittsburgh
COOK, HAROLD H.
Spencer Trask & Co., New York
COOK, RICHARD J.*
Wm. J. Mericka & Co., Cleveland
COOKE, CARL F.
The First Boston Corporation, New York
COOLEDGE, NORMAN A.
Courts & Co., New York
COOLEY, WILLIAM H.*
Television Shares Management Corporation, Chicago
COOPER, WALTER W.
F. S. Smithers & Co., New York
CORBETT, Jr., WILLIAM J.
Burns, Corbett & Pickard, Chicago
COSTIGAN, EDWARD J.
Edward D. Jones & Co., St. Louis
COTTON, L. S.
H. J. Steele & Co., Pittsburgh
COUIG, J. DALTON
Hirsch & Co., New York
COURTS, RICHARD W., II
Courts & Co., New York
COUTTS, RONALD M.
Cruttenden, Podesta & Co., Chicago
COX, CLARK
Harris Trust & Savings Bank, St. Louis
COYLE, ALFRED J.
Hayden, Stone & Co., New York
CRAFT, ROBERT H.*
Paribas Corporation, New York
CRAGO, JOHN H.
Smith, Moore & Co., St. Louis
CRAIGIE, WALTER W.*
F. W. Craigie & Co., Richmond
CRAWFORD, HENRY J.*
Squire, Sanders & Dempsey, Cleveland
CROOKS, RICHARD M.
Thomson & McKinnon, New York
CROOKSTON, J. IAN*
Nesbitt, Thomson & Co., Toronto
CROSS, CALVIN M.*
Hallgarten & Co., New York
CROSS, Jr., JOSEPH G.*
C. J. Devine & Co., New York
CROSSLEY, E. LYNN*
Municipal Finance Officers Assn., Dallas
CROWELL, WARREN H.*
Crowell, Weedon & Co., Los Angeles
CULLEN, JOHN*
R. W. Pressprich & Co., New York
CULMAN, JOHN K.
Harriman Ripley & Co., New York
CUNNINGHAM, BERNARD J.*
Blunt Ellis & Simmons, Chicago
CUNNINGHAM, FRANCIS J.
Kidder, Peabody & Co., New York
CURLEY, FRANK E.
Hawkins, Delafield & Wood, New York
CURLEY, JOHN F.*
Paine, Webber, Jackson & Curtis, New York
CURREY, Jr., BROWNLEE O.
Equitable Securities Corporation,
CURTIN, JOHN S.
Kalman & Co., Minneapolis
CURTIS, ARTHUR W.
A. G. Becker & Co., Chicago
CUTLER, PAUL WM.
Chapman & Cutler, Chicago
DAANE, J. DEWEY
Treasury Department, Washington
DALENZ, JOHN McG.
Calvin Bullock, Ltd., New York
DALY, IRA
Lehman Brothers, New York
DARBY, EDWIN W.
Chicago Sun-Times, Chicago
DARLINGTON, PETER
Hill, Darlington & Grimm, New York
DARMSTATTER, E. WILLIAM
Stifel, Nicolaus & Co., St. Louis
DATTELBAUM, DAVID N.
A. G. Becker & Co., New York
DAVANT, JAMES W.
Paine, Webber, Jackson & Curtis, Minneapolis
DAVIDS, MARK*
Lester, Ryons & Co., Los Angeles
DAVIDSON, PHILIP D.
Shearson, Hammill & Co., New York
DAVIS, CLARENCE F.
The First Cleveland Corporation, Cleveland
DAVIS, JOSHUA A.
Blair & Co., New York
DAVIS, SHELBY CULLOM*
Shelby Cullom Davis & Co., New York
DAY, JAMES E.
Midwest Stock Exchange, Chicago
DAYTON, Jr., JOHN W.
Clark, Dodge & Co., New York
DAYTON, S. GREY
Elkins, Morris, Stokes & Co., Philadelphia
DEAN, HOWARD B.
Harris, Upham & Co., New York
de BARY, MARQUETTE*
F. S. Smithers & Co., New York
de BRONKART, EUGENE
Hill, Darlington & Grimm, New York
DeGROFF, RALPH L.
Robert Garrett & Sons, Baltimore
DeGROOT, WILLARD G.*
Bateman, Eichler & Co., Los Angeles
deMILHAU, JOHN W.
The Chase Manhattan Bank, New York
DESCARTES, S. L.
Banco Credito Y Ahorro Ponceno, San Juan
de SELDING, EDWARD B.
Spencer Trask & Co., New York
DESMOND, ORVILLE*
Stranahan, Harris & Co., Toledo
DEVLIN, WILLIAM A.
Reynolds & Co., New York
DEWITZ, HERBERT
J. A. Hogle & Co., Salt Lake City
DIGGS, Jr., HARRY C.
Mason-Hagan, Inc., Richmond
DIKEMAN, E. J.
Bankers Trust Company, New York
DIMASSIS, Mrs. STANLEY
Investment Bankers Association, Washington

DINKINS, LADD
Ladd Dinkins & Co., New Orleans
DOE, Jr., WELDON W.*
Sellers, Doe & Bonham, Montgomery
DOERGE, JACK O.*
Saunders, Stiver & Co., Cleveland
DOMINICK, BAYARD
Dominick & Dominick, New York
DOOLITTLE, Sr., ROY W.
Doolittle & Co., Buffalo
DOOLITTLE, Jr., ROY W.
Doolittle & Co., Buffalo
DORBRITZ, ERNEST O.
Moore, Leonard & Lynch, Pittsburgh
DOUGLAS, LESLIE*
Folger, Nolan, Fleming-W. B. Hibbs & Co., Washington
DOYLE, NORBERT W.
Fahnestock & Co., New York
DRELLES, SPEROS G.*
Chaplin, McGuiness & Co., Pittsburgh
DROBNIS, GEORGE J.
30 W. Washington Street, Chicago
DUFFY, SYDNEY
Blyth & Co., New York
DUGGAN, PAUL N.*
Sutro & Co., San Francisco
DUNN, STEWART A.*
C. J. Devine & Co., New York
DUSON, C. PHARR
Rotan, Mosle & Co., Houston
EARLE, HENRY
First of Michigan Corporation, Detroit
EASTER, CHARLES W.
Blyth & Co., Seattle
EATON, Jr., CHARLES F.
Eaton & Howard, Boston
EATON, JOSEPH E.
Eaton & Howard, New York
EBBITT, KENNETH C.*
Shelby Cullom Davis & Co., New York
EBERSTADT, ANDREW W.*
F. Eberstadt & Co., New York
EDERSHEIM, MAURITS E.
Burnham & Co., New York
EDNER, CLARENCE F.*
First Western Bank, San Francisco
EDWARDS, III, BEN F.
A. G. Edwards & Sons, St. Louis
EDWARDS, WILLIAM N.*
William N. Edwards & Co., Fort Worth
EGBERT, RICHARD C.
Estabrook & Co., New York
EGGAN, BURTON M.
Glore, Forgan & Co., Chicago
ELKINS, Jr., GEORGE W.*
Elkins, Morris, Stokes & Co., Philadelphia
ELLIOT, WILLIAM H.*
New York Herald Tribune, New York
ELLSWORTH, SHERMAN
Wm. P. Harper & Son & Co., Seattle
EMERSON, SUMNER B.
Morgan Stanley & Co., New York
EMRICH, MILTON S.
Julien Collins & Company, Chicago
EPPLER, WILLIAM B.
Eppler, Guerin & Turner, Dallas
ERGOOD, Jr., RUSSELL M.*
Stroud & Co., Philadelphia
ERICKSON, WENDELL R.
Stone & Webster Securities Corporation, New York
ERLANGER, NORMAN D.
Asiel & Co., New York
ERPF, CARL K.*
Ladenburg, Thalmann & Co., New York
ESHMAN, AARON R.*
Stern, Frank, Meyer & Fox, Los Angeles

ETHERINGTON, EDWIN D.
New York Stock Exchange, New York
EVANS, CARNOT W.*
Clark, Dodge & Co., New York
EVANS, CLEMENT A.
Clement A. Evans & Co., Atlanta
EVERITT, WALTER A.
Model, Roland & Stone, New York
EWING, ROBERT W.*
A. E. Masten & Co., Wheeling
FAHEY, LESLIE J.
Fahey, Clark & Co., Cleveland
FAIRCHILD, PAUL W.
The First Boston Corporation, Chicago
FAIRMAN, Jr., FRED W.
Bache & Co., New York
FALSEY, WILLIAM J.*
Chas. W. Scranton & Co., New Haven
FARRELL, F. D.
City National Bank, Kansas City
FAULKNER, DWIGHT F.
Faulkner, Dawkins & Sullivan, New York
FAY, Jr., WILLIAM E.
Smith, Barney & Co., Chicago
FERRIS, Jr., GEORGE M.
Ferris & Co., Washington
FINNEY, Jr., HOWARD*
Bear, Stearns & Co., New York
FIRSTBROOK, BRADSHAW
Greenshields & Co., New York
FISHER, CHARLES N.*
Singer, Deane & Scribner, Pittsburgh
FISHER, GEORGE B.
Bosworth, Sullivan & Co., Denver
FITTERER, Jr., JOHN C.
Wertheim & Co., New York
FLANAGAN, JOHN M.
Chas. W. Scranton & Co., New Haven
FLEMING, CHARLES J.*
Hanrahan & Co., Worcester
FLOERSHEIMER, STEPHEN H.
Sutro Bros. & Co., New York
FLYNN, GEORGE T.
Hornblower & Weeks, New York
FORDON, RALPH
Fordon, Aldinger & Co., Detroit
FOX, P. FRED*
P. F. Fox & Co., New York
FRANKLIN, EDGAR W.
Dittmar & Co., Dallas
FRANKLIN, HARVEY J.*
Merrill Lynch, Pierce, Fenner & Smith Inc., San Francisco
FRAZIER, WILLIAM L.
Curtiss, House & Co., Cleveland
FREDERICK, PAUL O.
Fahnestock & Co., New York
FREELAND, H. THEODORE*
American Securities Corporation, New York
FREEMAN, MERRILL D.*
Salomon Bros. & Hutzler, New York
FRICKE, JOHN E.*
Woodcock, Moyer, Fricke & French, Philadelphia
FRIDLEY, EARL G.*
Fridley & Frederking, Houston
FRIEND, ARTHUR S.*
Folger, Nolan, Fleming-W. B. Hibbs & Co., Washington
FROST, HARRISON C.
Hayden, Miller & Co., Cleveland
FUGLESTAD, ARNE*
Burns Bros. & Denton, New York
FULKERSON, Jr., W. NEAL*
Bankers Trust Company, New York

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National Assn. of Securities Dealers, Washington
FULTON, W. YOST
Fulton, Reid & Co., Cleveland
FUNSTON, G. KEITH*
New York Stock Exchange, New York
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Cooley & Co., Hartford
GALLOTTI, Mrs. ROBERT E.
Investment Bankers Association, Washington
GALLIVAN, JAMES F.
Alester G. Furman Co., Greenville
GANNETT, THOMAS B.*
Hornblower & Weeks, Boston
GARDINER, ROBERT M.*
Reynolds & Co., New York
GARDNER, JOHN R.
Reinholdt & Gardner, St. Louis
GARVEY, JOHN P.
McDonnell & Co., New York
GASKELL, THEODORE A.
Hayden, Miller & Co., Cleveland
GASSARD, HARRY L.*
Investment Dealers' Assn. of Canada, Toronto
GATCHELL, EARLE
Hayden, Stone & Co., New York
GEDDES, EUGENE M.
Clark, Dodge & Co., New York
GENACHTE, PAUL F.*
The Chase Manhattan Bank, New York
GEORGE, EDWARD C.
Harriman Ripley & Co., Chicago
GERRISH, ROBERT G.
Oscar E. Dooly & Co., Miami
GERTLER, JOHN H.
Barr Brothers & Co., New York
GIBBONS, Jr., GEORGE B.
Geo. B. Gibbons & Co., New York
GIBBS, LOUIS A.
Laird, Bissell & Meads, New York
GILBERT, JAMES F.
Hornblower & Weeks, New York
GIRMSCHEID, Jr., ROBERT A.
Investment Bankers Association, Washington
GLASS, Jr., CHESTER M.*
William R. Staats & Co., Los Angeles
GLASSMEYER, EDWARD
Blyth & Co., New York
GLORE, Jr., CHARLES F.*
Glore, Forgan & Co., Chicago
GLOVER, W. WAYNE*
California Bank, Los Angeles
GODSHALL, R. ELLIS
Clement A. Evans & Co., Atlanta
GOODWIN, Jr., ARTHUR E.
Johnston, Lemon & Co., Washington
GOULD, JOHN D. B.
The Philadelphia National Bank, Philadelphia
GRAHAM, T. E.*
First National Bank, Fort Worth
GRAM, Jr., HARVEY B.*
Johnston, Lemon & Co., Washington
GRAY, DUNCAN C.*
B. J. Van Ingen & Co., New York
GRAY, WILLIAM S.*
Wm. J. Mericka & Co., Cleveland
GREEN, GEORGE H. C.*
Liberty National Bank, Oklahoma City
GREEN, J. BRADLEY*
Morgan Guaranty Trust Company, New York
GREGORY, GEORGE M.
Gregory & Sons, New York
GREGORY, Jr., ROBERT H.
Gregory & Sons, New York
GREGORY, III, WILLIAM H.
Gregory & Sons, New York
GRIBBEL, II, JOHN
Elkins, Morris, Stokes & Co., Philadelphia

*Denotes Mr. and Mrs.

IBA Past Presidents

1959 - 1960

James J. Lee

1958 - 59

William D. Kerr

1957 - 58

W. C. Jackson, Jr.

GRIMM, RICHARD W.*
Government Development Bank for Puerto Rico, New York
GRUNEBAUM, KURT H.*
New York Hanseatic Corporation, New York
GRUNER, GEORGE J.
John Nuveen & Co., New York
GURCAK, FRANK J.*
Thomas & Co., Pittsburgh
HAACK, ROBERT W.*
Robert W. Baird & Co., Milwaukee
HAGAN, III, JOHN C.*
Mason-Hagan, Inc., Richmond
HAIBACK, ALBERT F.
B. J. Van Ingen & Co., New York
HAIRE, JOHN R.*
Hugh W. Long & Co., Elizabeth
HALL, GEORGE W.*
Wm. E. Pollock & Co., New York
HALLIBURTON, GUS G.
Equitable Securities Corporation, Nashville
HALLOWELL, HENRY R.
Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia
HAMILTON, ROBERT E.*
Laidlaw & Co., New York
HAMMOND, W. H.*
Braun, Bosworth & Co., Chicago
HANSEL, DOUGLAS R.*
Shields & Co., New York
HANRAHAN, PAUL B.*
Hanrahan & Co., Worcester
HANSON, MURRAY
Investment Bankers Association, Washington
HARDIN, JOHN S.
Stein Bros. & Boyce, Baltimore
HARDY, Jr., EDWARD K.
The Illinois Company, Chicago
HARDY, FORD T.*
Merrill Lynch, Pierce, Fenner & Smith Inc., New Orleans
HARKINS, CHARLES B.
Blyth & Co., San Francisco
HARRINGTON, FULLER A.*
Harrington & Co., Jackson
HARRIS, DAVID J.*
Bache & Co., Chicago
HARVEY, Jr., F. BARTON*
Alex. Brown & Sons, Baltimore

HASSMAN, ELMER G.
A. G. Becker & Co., Chicago
HATCHER, III, CLIFF C.
Alester G. Furman Co., Greenville
HATCHER, LLOYD B.
White, Weld & Co., New York
HATTIER, Jr., GILBERT*
Hattier & Sanford, New Orleans
HAUSSERMANN, ARTHUR H.*
Vance, Sanders & Co., Boston
HAWES, HARDIN H.
Harris Trust & Savings Bank, Chicago
HAYDEN, DONALD W.
Baumgartner, Downing & Co., Baltimore
HAYES, JEROME
Chicago Sun-Times, Chicago
HAYES, JOHN J.
McMahon & Hoban, Chicago
HAYES, MILTON J.
American National Bank, Chicago
HAYES, PHILIP E.*
The Wall Street Journal, New York
HAYS, EDDE K.
Dean Witter & Co., Chicago
HAZARD, OLIVER C.
Francis I. duPont & Co., New York
HEALY, GEORGE P.*
Adamex Securities Corporation, New York
HECHT, JOHN C.
Dempsey-Tegeler & Co., Los Angeles
HEFFERN, GORDON E.
National City Bank, Cleveland
HEFFERNAN, PAUL
New York Times, New York
HEIMERDINGER, JOHN M.*
Walter, Woody & Heimerdinger, Cincinnati
HEITNER, NORMAN E.
Yates, Heitner & Woods, St. Louis
HELLER, JAMES M.
Shearson, Hammill & Co., New York
HENDERSON, TED C.
T. C. Henderson & Co., Des Moines
HENDERSON, WILLIAM M.*
Pittsburgh National Bank, Pittsburgh
HENDRIX, JAMES R.*
Hendrix & Mayes, Birmingham
HENSLEY, Jr., LOUIS S.*
Indianapolis Bond & Share Corporation, Indianapolis

HERBERT, THOMAS J.*
Hugh W. Long & Co., Elizabeth
HESS, ARLEIGH P.*
Hess, Grant & Remington, Philadelphia
HETTLEMAN, PHILLIP*
Hettleman & Co., New York
HEWARD, JAMES W.*
Butcher & Sherrerd, Philadelphia
HEWITT, CHARLES L.
Francis I. duPont & Co., New York
HEYES, FRED L.*
Dillon, Read & Co., New York
HIBBEN, JOSEPH W.*
Kidder, Peabody & Co., Chicago
HIBBERD, WILLIAM W.
Trust Company of Georgia, New York
HICKEY, III, MATTHEW J.
Hickey & Co., Chicago
HICKEY, PAUL K.
Vilas & Hickey, New York
HILDRETH, W. S.
Peoples National Bank, Charlottesville
HILL, DRAPER*
Harkness & Hill, Boston
HILL, Jr., HOUSTON*
J. S. Strauss & Co., San Francisco
HILL, MALVERN
Malvern Hill & Co., New York
HILLIARD, HENNING*
J. J. B. Hilliard & Son, Louisville
HILSON, JOHN S.
Wertheim & Co., New York
HOBAN, EDWARD F.
McMahon & Hoban, Chicago
HOBSON, Jr., WILLIAM H.*
De Haven & Townsend, Crouter & Bodine, Philadelphia
HOCKSTADER, II, LEONARD A.*
L. F. Rothschild & Co., New York
HOLMES, Mrs. JENTRY S.
Investment Bankers Association, Washington
HOLMYARD, HAROLD
Hayden, Stone & Co., New York
HOLT, NEIL M.*
Morgan Guaranty Trust Company, New York
HOPKINS, JOHN E.
Morgan Guaranty Trust Company, New York

HORNING, BERT H.
Dempsey-Tegeler & Co., St. Louis
HORTON, ARTHUR
Penington, Colket & Co., Philadelphia
HOUSEWORTH, CARL H.*
Columbian Securities Corporation, Topeka
HOUSTON, B. F.*
Dallas Union Securities Co., Dallas
HOWARD, C. EDWARD*
Piper, Jaffray & Hopwood, Minneapolis
HOWARD, Jr., GEORGE H.
Harris, Upham & Co., New York
HOWE, JAMES M.
Farwell, Chapman & Co., Chicago
HUDSON, FRED W.*
Ball, Burge & Kraus, Cleveland
HUGHES, ALBERT R.*
Lord, Abbett & Co., New York
HUGHES, W. SHANNON
Raffensperger, Hughes & Co., Indianapolis
HUNSAKER, Jr., JEROME C.
Colonial Distributors, Inc., Boston
HUNT, Jr., ROY F.
Alester G. Furman Co., Greenville
HUNTER, DAVID W.
McKelvy & Co., Pittsburgh
HUNTER, FRANK H.
McKelvy & Co., Pittsburgh
HUNTER, HERBERT D.*
Watling, Lerchen & Co., Detroit
HURLEY, GERALD L.
Barr Brothers & Co., New York
HURLEY, WILLIAM L.
Baker, Simonds & Co., Detroit
HUTTLINGER, KURT J.
F. P. Ristine & Co., Philadelphia
HUTTON, III, JAMES M.
W. E. Hutton & Co., Cincinnati
HYDE, J. HINDON
Halle & Stieglitz, New York
IJAMS, MAITLAND T.
W. C. Langley & Co., New York
ILLOWAY, LAWRENCE B.
Penington, Colket & Co., Philadelphia
INMAN, WILBUR G.
John Nuveen & Co., Chicago
JACKSON, Jr., WILLIAM C.*
First Southwest Company, Dallas

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In Attendance at Convention

Continued from page 101

JACOBS, ALGER J.*
Crocker-Anglo National Bank, San Francisco
JACOBS, Jr., HARRY A.
Bache & Co., New York
JACOBUS, MELVIN S.*
Shaw, Hooker & Co., San Francisco
JACOBUS, ROYDEN E.
Vilas & Hickey, New York
JACQUES, JAMES F.*
First Southwest Company, Dallas
JAMIESON, GORDON
Blyth & Co., New York
JARDINE, Jr., J. EARLE*
William R. Staats & Co., Los Angeles
JENNETT, EDWARD J.
A. G. Becker & Co., Chicago
JOHNSON, DAVID T.*
Johnson, Lane, Space & Co., Savannah
JOHNSON, FREDERICK F.*
Barcus, Kindred & Co., Chicago
JOHNSON, JOSEPH T.
The Milwaukee Company, Milwaukee
JOHNSON, MARSHALL H.*
McDaniel Lewis & Co., Greensboro
JOHNSON, ROBERT C.*
Kidder, Peabody & Co., New York
JOHNSON, ROBERT M.
Dawson, Nagel, Sherman & Howard, Denver
JOHNSON, THOMAS M.*
Johnson, Lane, Space & Co., Savannah
JONES, Jr., EDWARD D.
Edward D. Jones & Co., St. Louis
JONES, GRAHAM*
Cooley & Co., Hartford
JONES, RICHARD W.
Mitchum, Jones & Templeton, Los Angeles

*Denotes Mr. and Mrs.

JONES, WILLYS P.*
Allison-Williams Company, Minneapolis
JORDAN, CARL
R. W. Pressprich & Co., Boston
JOSEPH, HERMAN B.*
Joseph, Mellen & Miller, Cleveland
JOSEY, H. I.
H. I. Josey & Co., Oklahoma City
KAHN, HERMAN H.*
Lehman Brothers, New York
KALISCH, Jr., ABNER*
Banco Popular De Puerto Rico, San Juan
KANDLIK, EDWARD A.*
Chicago Daily News, Chicago
KATZENBACH, II, L. EMERY
White, Weld & Co., New York
KAUFMAN, C. G.*
Rodman & Renshaw, Chicago
KEATING, WES*
Stockyards National Bank, Wichita
KELLOGG, III, JAMES C.*
Spear, Leeds & Kellogg, New York
KELLY, EDWARD J.*
Carl M. Loeb, Rhoades & Co., New York
KEMP, Jr., G. S.*
Abbott, Proctor & Paine, Richmond
KENNEDY, DANIEL C.
Lord, Abbett & Co., Chicago
KENNEDY, WALTER V.
H. Hentz & Co., New York
KERESEY, JAMES F.
Baker, Weeks & Co., New York
KERR, KENNETH A.
E. F. Hutton & Co., New York
KERR, WILLIAM D.*
Wertheim & Co., New York
KEUSCH, ERNEST E.
W. E. Hutton & Co., New York
KILDUFF, WILLIAM D.
E. F. Hutton & Co., San Francisco
KING, Jr., ROBERT
First Securities Corporation, Durham

KLINGEL, JAMES E.
Juran & Moody, St. Paul
KLINGENSTEIN, FREDERICK A.*
Wertheim & Co., New York
KNAPP, ALFRED S.
Janney, Dulles & Battles, Philadelphia
KNEASS, GEORGE B.*
The Philadelphia National Bank, Philadelphia
KNIGHT, PEYTON H.
S. D. Fuller & Co., New York
KNOOP, A. PETER*
Auchincloss, Parker & Redpath, New York
KNOX, JOHN T.
The Federal Land Banks, New York
KOCUREK, ARNOLD J.
Rauscher, Pierce & Co., San Antonio
KOLLS, MARGARET E.
Investment Bankers Association, Washington
KRAUSE, JOHN P.
Reinholdt & Gardner, St. Louis
KROHN, LEWIS M.*
Ira Haupt & Co., New York
KRUMM, ROBERT R.*
W. H. Morton & Co., New York
KRUSE, JOHN A.
Prescott, Shepard & Co., Cleveland
KUCHEROV, ALEX
U. S. News & World Report, Washington
KUFRIN, GEORGE
Finance Magazine, Chicago
LABOUISSE, JOHN P.*
Howard, Weil, Labouisse, Friederichs & Co., New Orleans
LACKEY, Jr., JACK
Dempsey-Tegeler & Co., San Francisco
LAGONI, LESLIE P.*
Parker, Ford & Co., Dallas
LANAHAN, Jr., W. WALLACE
Stein Bros. & Boyce, Baltimore
LANDSTREET, III, BEVERLY W.
Clark, Landstreet & Kirkpatrick, Nashville
LARKIN, JOHN J.
First National City Bank, New York
LARKIN, THOMAS A.*
Goodbody & Co., New York
LATOUR, WALLACE C.*
Merrill Lynch, Pierce, Fenner & Smith, New York
LATSHAW, JOHN
E. F. Hutton & Co., Kansas City
LAUN, HAROLD G.*
F. S. Moseley & Co., Chicago
LAWLOR, Jr., WILLIAM J.
Hornblower & Weeks, Chicago
LAWRENCE, DAVID F.
Boettcher & Co., Denver
LAY, JOSEPH E.*
The Robinson-Humphrey Company, Atlanta
LEACH, ORIN T.
Estabrook & Co., New York
LEE, JAMES J.*
W. E. Hutton & Co., New York
LEE, N. CLAYTON*
United Securities Company, Greensboro
LEEMING, CHARLES E.
Chicago Tribune, New York
LEGROS, EDGAR E.*
The First Cleveland Corporation, Cleveland
LELAND, ALAN C.
Coffin & Burr, New York
LEMKAU, HUDSON B.
Morgan Stanley & Co., New York
LEMON, JAMES H.*
Johnston, Lemon & Co., Washington
LERICHE, ROY W.*
First of Iowa Corporation, Des Moines
LEUSTIG, FRED F.
Murch & Co., Cleveland
LEVERING, WALTER B.
Carlisle & Jacquelin, New York
LEWIS, III, ED S.*
Lewis & Co., Jackson
LEWIS, MILTON F.
A. G. Becker & Co., New York
LICKLE, WILLIAM C.
Laird, Bissell & Meeds, Wilmington
LIEBMAN, WILLIAM L.
Loewi & Co., Milwaukee
LINCOLN, MARY R.
Investment Bankers Association, Washington
LIND, HERMAN L.*
Camp & Co., Portland
LINDMAN, RAY H.
O'Melveny & Myers, Los Angeles
LITTLE, ALDEN H.*
1235 Pierce St., Hollywood
LITZEL, CHARLES M.
White, Weld & Co., New York
LOCKETT, JOSEPH F.
Townsend, Dabney & Tyson, Boston
LOCKWOOD, FRANK J.
Glore, Forgan & Co., New York
LOEWI, J. VICTOR*
Loewi & Co., Milwaukee
LOOMIS, Jr., JOHN S.
City National Bank, Chicago
LOVE, MALCOLM
Barr Brothers & Co., New York
LOVELL, CHARLES E.*
McDonald & Co., Youngstown
LOW, V. THEODORE*
Bear, Stearns & Co., New York
LOWELL, Jr., JAMES R.
Paine, Webber, Jackson & Curtis, New York
LUBETKIN, LLOYD E.
Lubetkin, Regan & Kennedy, New York
LUBETKIN, PHILIP C.
Lubetkin, Regan & Kennedy, New York
LUBY, JOSEPH M.
Paine, Webber, Jackson & Curtis, New York
LUCAS, Jr., MARK A.
E. F. Hutton & Co., Kansas City
LUCE, Jr., MILTON*
Luce, Thompson & Crowe, Kansas City
LUDIN, JOSEPH*
Dillon, Read & Co., New York
LUND, ANTHON H.
Amott, Baker & Co., New York
LUNDFELT, CHARLES E.
McCormick & Co., Chicago
LYNCH, Jr., CHARLES McK.*
Moore, Leonard & Lynch, Pittsburgh
LYNCH, FRANK
Blair & Co., New York
LYNCH, III, THOMAS*
Moore, Leonard & Lynch, Pittsburgh
LYNE, LEWIS F.*
Mercantile National Bank, Dallas
LYONS, SAM B.
Cruttenden, Podesta & Co., Chicago
LYONS, Jr., W. L.*
W. L. Lyons & Co., Louisville

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1956 - 57

Robert H. Craft

1955 - 56

George W. Davis

1954 - 55

Walter A. Schmidt

MABON, Jr., JAMES B.
Mabon & Co., New York
MacALLASTER, ARCHIE F.
W. C. Pitfield & Co., New York
MacARTHUR, REGINALD
Kenower, MacArthur & Co., Detroit
MacCULLEY, IRA B.
Equitable Securities Corporation, New York
MacDONALD, GEORGE C.*
McLeod, Young, Weir, Inc., New York
MACHOLD, WILLIAM F.*
Drexel & Co., Philadelphia
MACKEY, DONALD D.
Dominick & Dominick, New York
MACKLIN, Jr., GORDON S.*
McDonald & Co., Cleveland
MACY, NORMAN L.
The First Boston Corporation, New York
MAEIR, H. L.
Sutro Bros. & Co., New York
MANLEY, MILTON A.*
Manley, Bennett & Co., Detroit
MARACHE, Jr., HERBERT W.
Granbery, Marache & Co., New York
MARCKWALD, ANDREW K.*
Discount Corporation, New York
MARCUSSON, P. A.
Investment Dealers' Digest, New York

MARLIN, WILLIAM M.
Bache & Co., New York
MARSH, Jr., SPENCER S.
Federal Reserve Bank, New York
MARTIN, GEORGE L.*
International Bank, New York
MARTIN, Jr., JUSTUS C.*
The Robinson-Humphrey Company, Atlanta
MASON, LESTER
Burroughs Clearing House, Detroit
MASON, ROBERT
Merrill Lynch, Pierce, Fenner & Smith Inc., Chicago
MASSEY, ARNOLD B.*
Mills, Spence & Co., Toronto
MASTERSON, THOMAS W.
Underwood, Neuhaus & Co., Houston
MATHEWS, Jr., ROBERT C.
Trust Company of Georgia, Atlanta
MATSCHE, PAUL E.*
Paine, Webber, Jackson & Curtis, St. Paul
MATTISON, Jr., JOSEPH*
Estabrook & Co., Boston
MAWDSLEY, LORRIN C.
Van Alstyne, Noel & Co., New York
MAY, J. DENNY*
The Parker Corporation, Boston

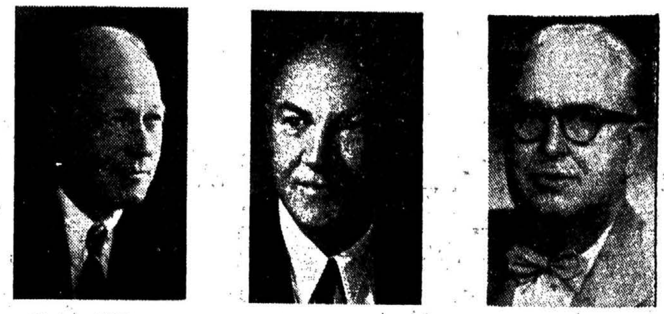
MAY, RANDALL E.
Chicago Sun-Times, New York
MAYFIELD, HARRY F.
Commerce Trust Company, Kansas City
MAYNARD, WALTER*
Shearson, Hammill & Co., New York
McALPIN, III, BENJAMIN B.
Bache & Co., New York
McCALL, JOHN D.*
McCall, Parkhurst, Crowe, McCall & Horton, Dallas
McCANDLESS, JOHN A.*
Vance, Sanders & Co., Boston
McCARLEY, J. NATHAN*
McCarley & Co., Asheville
McCAULEY, Jr., DANIEL J.*
Securities & Exchange Commission, Washington
McCONNEL, W. BRUCE*
Singer, Deane & Scribner, Pittsburgh
McCORMACK, FRANK J.
H. Hentz & Co., New York
McCORMICK, EDWARD T.
American Stock Exchange, New York
McCRUM, Jr., A. BLISS
Dominick & Dominick, New York
McDONNELL, CHARLES E.*
McDonnell & Co., New York
McELROY, DAVID B.
Clark, Dodge & Co., New York
McFARLAND, RICHARD D.
Kaiman & Co., Minneapolis
McGLADE, THOMAS H.*
Shields & Co., New York
McGREW, EDWARD D.*
The Northern Trust Company, Chicago
McKIE, STANLEY
The Weil, Roth & Irving Co., Cincinnati
McKNIGHT, Jr., WILLIAM G.
Eastman Dillon, Union Securities & Co. New York
McLELLAN, PHILIP F.
Massachusetts Life Fund Distributors, Boston
McMAHON, EUGENE G.*
J. Barth & Co., New York
MEAD, W. CARROLL*
Mead, Miller & Co., Baltimore
MELODY, THOMAS A.*
Merrill, Turben & Co., Cleveland
MENDEL, LEO
Manufacturers Trust Company, New York
MERRILL, BEARDSLEE B.*
Richards, Merrill & Peterson, Spokane
METZNER, RUSSELL H.
Central National Bank, Cleveland
MEYER, Jr., MAURICE*
Hirsch & Co., New York
MEYER, III, MAURICE
Hirsch & Co., New York
MICHELS, HARRY A.
Allen & Co., New York
MILLER, CHARLES M.
Mullaney, Wells & Co., Chicago

*Denotes Mr. and Mrs.

MILLER, GLENN R.*
Cruttenden, Podesta & Co., Chicago
MILLER, Jr., L. GORDON
J. C. Wheat & Co., Richmond
MILLS, WILLIAM F.
The Philadelphia National Bank, Philadelphia
MIRALIA, DAVID T.
Kuhn, Loeb & Co., New York
MITCHELL, EARLY F.
First National Bank, Memphis
MITCHELL, JOHN N.
Caldwell, Marshall, Trimble & Mitchell, New York
MITCHELL, ROBIE L.
Mitchell, Pershing, Shetterly & Mitchell, New York
MOHR, Jr., SIDNEY J.
Thornton, Mohr & Farish, Montgomery
MOONEY, GEORGE A.*
National Assn. of Investment Companies, New York
MOORE, ALBERT W.*
Burgess & Leith, Boston
MORGAN, CHARLES F.
Morgan Stanley & Co., New York
MORGAN, EVANS G.*
The Hanover Bank, New York
MORGAN, WALTER L.
Wellington Company, Philadelphia
MORGAN, WILLIAM F.
Elyth & Co., New York
MORONEY, ROBERT E.*
Moroney, Beissner & Co., Houston
MORRIS, FRANK E.
Investment Bankers Association, Washington
MORRIS, PAT G.*
The Northern Trust Company, Chicago
MORRIS, ROBERT C.
Bankers Trust Company, New York
MORSE, EDWARD
The Associated Press, New York
MORSE, ERIC S.*
W. C. Pitfield & Co., Montreal
MORSE, WALTER E.*
Lehman Brothers, New York
MORTON, ROALD A.
Blue List Publishing Company, New York
MOSER, WILLIAM H.
James A. Andrews & Co., New York
MOULTON, DONALD W.*
R. H. Moulton & Co., Los Angeles
MOWER, Jr., EDWARD B.*
Newhard, Cook & Co., St. Louis
MULDOON, JAMES M.
United States Investor, New York
MULDOWNEY, JOSEPH J.
Scott & Stringfellow, Richmond
MULLANEY, PAUL L.
Mullaney, Wells & Co., Chicago
MUNFORD, III, BEVERLEY B.
Davenport & Co., Richmond
MURPHY, DENNIS E.*
The Ohio Company, Columbus
MURPHY, H. E.*
Commercial & Financial Chronicle, New York

MURPHY, JOSEPH D.
Stifel, Nicolaus & Co., Chicago
MURPHY, LEE F.
Ladd Dinkins & Co., New Orleans
MURPHY, RICHARD G.
B. J. Van Ingen & Co., New York
MURRAY, C. I.
Nesbitt, Thomson & Co., New York
MURRAY, Jr., WILLIAM N.
The Illinois Company, Chicago
MUSSON, JAMES F.
Newburger, Loeb & Co., New York
NARES, G. PETER
James Richardson & Sons, New York
NEAL, WILLIAM H.
Treasury Department, Washington
NELSON, ARTHUR W.
Chemical Bank New York Trust Company, New York
NELSON, W. LINTON*
Delaware Management Company, Philadelphia
NESTER, WALTER C.
M. A. Schapiro & Co., New York
NEUHAUS, PHILIP R.*
Underwood, Neuhaus & Co., Houston
NEWBOLD, JOHN S.*
W. H. Newbold's Son & Co., Philadelphia
NEWBORG, LEONARD D.
Hallgarten & Co., New York
NEWBURGER, Jr., FRANK L.*
Newburger & Co., Philadelphia
NEWMAN, Jr., JOSEPH A.*
The Philadelphia Bulletin, Philadelphia
NEWTON, GEORGE A.*
G. H. Walker & Co., St. Louis
NIELSEN, EINER
J. C. Bradford & Co., Nashville
NIELSEN, HARRY
Investment Dealers' Digest, New York
NISBET, Jr., W. OLIN*
Interstate Securities Corporation, Charlotte
NIX, ALLEN J.
Riter & Co., New York
NOONAN, Jr., WILLIAM A.
Continental Illinois National Bank, Chicago
NORTH, FRANK W.*
Barret, Fitch, North & Co., Kansas City
NOYES, BLANCKE*
Hemphill, Noyes & Co., New York
NUGENT, JOSEPH C.
Mabon & Co., New York
O'CONNELL, HOMER J.
Blair & Co., New York
O'DAY, DANIEL
The Northern Trust Company, New York
O'HARA, WALTER T.
Thomson & McKinnon, New York
O'KEEF, ROBERT H.*
The Marshall Company, Milwaukee
OLDERMAN, RUSSELL J.
Hayden, Miller & Co., Cleveland
O'LEARY, EDMUND G.
Eastman Dillon, Union Securities & Co., New York
OLLMAN, CARL H.
Dean Witter & Co., Chicago
ORR, JAMES H.
Colonial Distributors, Inc., Boston
OSBORN, II, JAMES E.
Dominick & Dominick, New York
OSTRANDER, LEE H.
William Blair & Co., Chicago
OSTRANDER, W. L.
The First Boston Corporation, Chicago
OTIS, C. BARRON*
The Bond Buyer, New York
OTTENS, JUSTIN T.*
Salomon Bros. & Hutzler, New York
OTTO, GEORGE J.*
Irving Lundborg & Co., San Francisco
PALMER, H. BRUCE*
Mutual Benefit Life Insurance Company, Newark
PARCELLS, Jr., CHARLES A.*
Charles A. Parcells & Co., Detroit
PARKER, H. S.
Kay, Richards & Co., Pittsburgh
PARKER, H. LAWRENCE
Morgan Stanley & Co., New York
PARKER, R. BURTON
Kay, Richards & Co., Pittsburgh
PARRY, SIDNEY L.*
DeCoppet & Doremus, New York

IBA Past Presidents



1953 - 54 T. Jerrold Bryce

1952 - 53 Ewing T. Boles

1951 - 52 Joseph T. Johnson

PARSONS, Jr., JOHN G.
Fidelity-Philadelphia Trust Company, Philadelphia
PATTERSON, AUSTIN
The First Boston Corporation, New York
PATTERSON, HAROLD C.*
Securities & Exchange Commission, Washington
PAYNE, CARR
Cumberland Securities Corporation, Nashville
PECK, ANDREW F.
Clark, Dodge & Co., New York
PEELOR, CHARLES G.
Arthurs, Lestrange & Co., Pittsburgh
PELIKAN, MILES
John Nuveen & Co., Chicago

PENDERGRAST, THOMAS J.
Courts & Co., Atlanta
PERCY, CHARLES H.*
Bell & Howell Company, Chicago
PERSHING, F. W.*
Pershing & Co., New York
PETERS, GERALD P.*
Peters, Writer & Christensen, Denver
PETERSON, ROYAL E.
J. R. Williston & Beane, New York
PETITO, FRANK A.
Morgan Stanley & Co., New York
PEVEAR, WILLIAM W.*
Irving Trust Company, New York

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In Attendance at Convention

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PEYSER, BENJAMIN F.
Newburger, Loeb & Co., New York
PFEFFER, DELMONT K.*
First National City Bank, New York
PHILIP, PETER V. N.
W. H. Morton & Co., New York
PHILLIPS, BLAIR S.
Shearson, Hammill & Co., Chicago
PIERCE, CHARLES C.*
Rauscher, Pierce & Co., Dallas
PIZZUTO, MICHAEL J.
Merrill Lynch, Pierce, Fenner & Smith Inc., New York
PLATT, CHARLES M.
U. S. News & World Report, Washington
PLENTY, ROYAL H.*
Philadelphia Inquirer, Philadelphia
PODESTA, ROBERT A.*
Cruttenden, Podesta & Co., Chicago
POKORNY, JOHN M.*
Warren W. York & Co., Allentown
POLLOCK, WILLIAM E.*
Wm. E. Pollock & Co., Beverly Hills
POOLE, MONROE V.*
Geo. B. Gibbons & Co., New York
POPPER, ELVIN K.*
I. M. Simon & Co., St. Louis
PORTER, FELIX N.*
First National Bank, Oklahoma City
PORTER, Jr., JOHN L.
Television Shares Management Corporation, Chicago
POUSCHINE, IVAN
Winslow, Cohu & Stetson, Miami
POWELL, JAMES M.*
Boettcher & Co., Denver
POWELSON, RALPH J.
Leedy, Wheeler & Alleman, Orlando
PRATT, ALBERT
Paine, Webber, Jackson & Curtis, Boston
PRATT, MARSOM B.
Estabrook & Co., Boston
PROSSER, MALCOLM S.*
Seattle-First National Bank, Seattle
PRUDDEN, RUSSELL F.
Digest of Investment & Banking Opinions, New York
PURKISS, ALBERT C.*
Walston & Co., New York
PUTNAM, Jr., GEORGE*
Putnam Fund Distributors, Boston
PUTNAM, HENRY W.
DeCoppet & Doremus, New York
QUAIL, JOHN J.
Quail & Co., Davenport
QUESADA, GENERAL ELWOOD R.
Federal Aviation Agency, Washington
QUINN, ARTHUR P.*
Quinn & Co., Albuquerque
QUIST, LEO L.
Harold E. Wood & Co., St. Paul
RAFFERTY, PATRICK J.*
National Securities & Research Corporation, New York
RAGGIO, J. THAYER
Hooker & Fay, San Francisco
RAND, Jr., ARTHUR H.*
Woodard-Elwood & Co., Minneapolis
RAND, RICHARD N.*
Rand & Co., New York
RANKIN, HARLEY L.*
Goldman, Sachs & Co., Philadelphia
RANNEY, BRUCE B.*
Ball, Burge & Kraus, Cleveland
RANSON, Jr., S. H.
Ranson & Co., Wichita
RAUSCHER, Jr., JOHN H.
Rauscher, Pierce & Co., Dallas
RAY, THOMAS L.*
Mercantile Trust Company, St. Louis
REDMAN, W. GUY*
A. G. Edwards & Sons, St. Louis
REDWOOD, Jr., JOHN*
Baker, Watts & Co., Baltimore
REESE, EUGENE M.
Newhard, Cook & Co., St. Louis
REFSNES, JOSEPH E.
Refsnes, Ely, Beck & Co., Phoenix
REILLY, JAMES F.
Goodbody & Co., New York
REILLY, F. VINCENT
Commercial & Financial Chronicle, New York
REIS, Jr., GORDON
Seasongood & Mayer, Cincinnati
REISSNER, FRANK L.*
Indianapolis Bond & Share Corporation, Indianapolis
RENDIGS, Jr., CHARLES W.
Eache & Co., New York
RENNAU, JACK
Carl M. Loeb, Rhoades & Co., New York
REPP, HERBERT N.
Discount Corporation, New York
REYNOLDS, Jr., STEPHEN C.*
Hemphill, Noyes & Co., New York
RICE, ALAN H.*
Irving J. Rice & Co., St. Paul
RICHTER, JOHN B.
Butcher & Sherrerd, Philadelphia
RIEPE, J. CREIGHTON*
Alex. Brown & Sons, Baltimore
RILEY, WILLIAM J.
E. F. Hutton & Co., New York
ROBERTS, HARRY A.
Anderson & Strudwick, Richmond
ROBERTS, MALCOLM F.
Garrett-Bromfield & Co., Denver
ROBINSON, ARTHUR R.
Industrial National Bank, Providence
ROBINSON, EDWARD H.
Schwabacher & Co., New York
ROBINSON, JOHN P.
Craig-Hallum, Inc., Minneapolis
ROCKEFELLER, Jr., AVERY
Dominick & Dominick, New York
RODDY, JAMES E.
Scharff & Jones, New Orleans
RODRIGUEZ, SALVADOR*
Government Development Bank for Puerto Rico, San Juan
ROEHL, ORA C.
The Keystone Company, Boston
ROGERS, DONALD I.*
New York Herald Tribune, New York
ROGERS, PHILIP O.
John C. Legg & Co., Baltimore
ROGERS, Jr., SAMSON
McMaster Hutchinson & Co., Chicago
ROOSEVELT, JULIAN K.*
Dick & Merle-Smith, New York
ROSE, MIDDLETON
Laird, Bissell & Meeds, New York
ROSEN, THEODORE*
Burnham & Co., New York
ROSENBERG, SAMUEL H.
Asiel & Co., New York
ROSSANT, M. J.
Business Week Magazine, New York
ROUSE, ROBERT G.
Federal Reserve Bank, New York
ROWE, ROBERT G.*
Stroud & Co., Philadelphia
ROWLES, RUSSELL R.
Rowles, Winston & Co., Houston
ROWLEY, JAMES*
Chemical Bank New York Trust Company, New York
RUSSELL, JAMES A.
Van Alstyne, Noel & Co., New York
RUSSELL, STANLEY A.
Elyth & Co., Philadelphia
RUTHERFORD, GEORGE P.*
Dominion Securities Corporation, New York
RYAN, III, ALLAN A.
Smith, Barney & Co., New York
RYAN, JAMES J.*
Park, Ryan, Inc., New York
SAGE, II, ANDREW G. C.*
Lehman Brothers, New York
SANDERS, JESSE A.*
Sanders & Co., Dallas
SANFORD, Jr., J. B.*
Hattier & Sanford, New Orleans
SAPP, ALLEN D.
Schmidt, Roberts & Parke, Philadelphia
SCHAFER, GEORGE
Brown Brothers Harriman & Co., New York
SCHAPIRO, MORRIS A.
M. A. Schapiro & Co., New York
SCHLUTER, HAROLD J.
First National Bank of Chicago, New York
SCHMELZLE, RICHARD A.*
Fusz, Schmelzle & Co., St. Louis
SCHMIDT, WALTER A.
Schmidt, Roberts & Parke, Philadelphia
SCHMIDT, W. MARSHALL
Hornblower & Weeks, Philadelphia
SCHOENEBERGER, CHARLES A.
National Boulevard Bank, Chicago
SCHREDER, HAROLD X.*
Distributors Group, Inc., New York
SCHUTZ, JOHN C.
Chiles-Schutz Co., Omaha
SCHWABACHER, Jr., ALBERT E.
Schwabacher & Co., San Francisco
SCHWARTZ, Jr., ALEXANDER
Lehman Brothers, New York
SCHWERENS, MURRAY R.
New York World-Telegram & Sun, New York
SCOTT, SIDNEY BUFORD
Scott & Stringfellow, Richmond
SCUDDER, DANA B.
First National City Bank, New York
SCULLY, GEORGE G.
The Ohio Company, Columbus
SEAVER, ROBERT E.
Massachusetts Life Fund Distributors, Boston
SEBEL, HARRY L.*
Selected Investments Company, Chicago
SEEBECK, ROBERT F.
Smith, Barney & Co., New York
SEIBERT, CLAUDE D.*
Commercial & Financial Chronicle, New York
SEIDLER, Jr., ALEX.*
National State Bank, Newark
SENER, JOSEPH W.
John C. Legg & Co., Baltimore
SENER, Jr., JOSEPH W.
John C. Legg & Co., Baltimore
SENHOLZI, JOHN C.
The Chase Manhattan Bank, New York
SEVERANCE, CRAIG*
P. Eberstadt & Co., New York
SEWARD, C. CARROLL
Yarnall, Biddle & Co., Philadelphia
SHANKS, WILLIAM S.
The Bond Buyer, New York
SHARPE, WILLIAM P.
Mercantile Trust Company, St. Louis
SHEAFFER, THEODORE C.*
Janney, Dulles & Battles, Philadelphia
SHEAN, EDWARD T.
Lazard Freres & Co., New York
SHEEHAN, LAWRENCE P.
J. A. Hogle & Co., New York
SHELTON, LOCKETT*
Republic National Bank, Dallas
SHEPARD, ROBERT O.*
Prescott, Shepard & Co., Cleveland
SHERBURNE, HAROLD H.
Bacon, Whipple & Co., New York
SHERRILL, H. VIRGIL
Shields & Co., New York
SHIELDS, Jr., CORNELIUS
Shields & Co., New York
SHOLLEY, S. L.*
The Keystone Company, Boston
SHORT, JOSEPH P.
Arthurs, Lestrange & Co., Pittsburgh
SHREVE, WICKLIFFE
Hayden, Stone & Co., New York
SIMON, JAY
City National Bank, Chicago
SIMON, WILLIAM E.
Weeden & Co., New York
SIMONSON, Jr., HENRY J.*
National Securities & Research Corporation, New York
SIMPSON, CRAIG deV.
Bankers Trust Company, New York
SIMPSON, Jr., F. BRADFORD
Hallgarten & Co., New York
SIMPSON, WILLIAM G.*
Simpson, Emery & Co., Pittsburgh
SIPP, Jr., PAUL L.*
Stern, Lauer & Co., New York
SLACK, WILLIAM E.
Bioren & Co., Philadelphia
SLEVIN, JOSEPH R.*
New York Herald Tribune, Washington
SLEZAK, G. EDWARD
The Milwaukee Company, Milwaukee
SMALL, JOHN*
John Small & Co., New York
SMALLWOOD, WILLIAM P.*
First Southwest Company, Dallas
SMITH, MARK A.
F. W. Craigie & Co., Richmond
SMITH, ROBERT H.
Faulkner, Dawkins & Sullivan, New York
SNYDER, HARRY B.
Yarnall, Biddle & Co., Philadelphia
SNYDER, JAMES E.
A. C. Allyn & Co., Chicago
SONG, ELMORE
Goldman, Sachs & Co., Chicago
SORENSEN, WALTER M.*
Rotan, Mosle & Co., Houston
SPECHT, GERARD C.*
Mitchell, Hutchins & Co., Chicago
STACK, L. P.
Bankers Trust Company, New York
STAFFORD, JOHN H.
Lee Higginson Corporation, New York
STAPLES, JACK R.
Fulton, Reid & Co., Cleveland
STARRING, Jr., MASON B.
A. C. Allyn & Co., New York
STEARNS, GEORGE R.*
The Economist, Chicago
STEARNS, PHILIP M.*
Oscar E. Dooly & Co., Miami
STEEL, WALTER H.*
Drexel & Co., New York
STEELE, E. BLAINE
H. J. Steele & Co., Pittsburgh
STEIN, ELLIOT H.*
Scherck, Richter Company, St. Louis
STENSON, JAMES
Continental Illinois National Bank, New York
STEPHENS, J. F.
Texas Fund Management Company, Houston
STETTINIUS, JOSEPH
Anderson & Strudwick, Richmond
STEVENS, WILLIAM A.
J. C. Wheat & Co., Richmond
STEVENSON, G. C.*
Bacon, Stevenson & Co., New York
STEVENSON, III, ROBERT
Investment Bankers Association, Washington
STEWART, NORMAN W.
F. S. Smithers & Co., New York
STODDARD, DONALD A.
Morgan Guaranty Trust Company, New York
STOHL, WALTER H.
Fidelity Union Trust Company, Newark
STONE, Jr., FRED D.*
The Marine Trust Company, New York
STOREY, RICHARD C.
Shearson, Hammill & Co., Chicago
STOUT, CHARLES L.
Robert Garrett & Sons, Baltimore
STRADER, LUDWELL A.*
Strader & Co., Lynchburg
STRAVITZ, HENRY*
Swiss American Corporation, New York
STRAUS, FREDERICK W.*
Straus, Blosser & McDowell, Chicago
STRONG, NEWBOLD
De Haven & Townsend, Crouter & Bodine, Philadelphia
STUEBNER, ERWIN A.*
Kidder, Peabody & Co., Chicago
SULLIVAN, JOSEPH H.*
Cunningham, Schmertz & Co., Pittsburgh
SULLIVAN, LEONARD R.*
Fitzpatrick, Sullivan & Co., New York
SULZBERGER, CHARLES H.
Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia
SWEET, Jr., PHILIP W. K.
The Northern Trust Company, Chicago
SWICK, THEODORE
White, Weld & Co., New York
SWINARTON, ROBERT W.
Dean Witter & Co., New York
SWORD, WILLIAM H.
Morgan Stanley & Co., New York
TAYLOR, CLARENCE G.
The Bankers Bond Co., Louisville
TAYLOR, Jr., FRANK E.*
Fulton National Bank, Atlanta
TAYLOR, GARRETT H.*
Wood, Gundy & Co., New York
TEGELER, JEROME F.*
Dempsey-Tegeler & Co., St. Louis
TERRELL, ALLEN M.
Girard Trust Corn Exchange Bank, Philadelphia
THEIS, HARRY
Stifel, Nicolaus & Co., St. Louis
THEIS, Mrs. HARRY
With Harry Theis, St. Louis
THERIOT, CHARLES H.
Carlisle & Jacquelin, New York
THORNTON, RICHARD S.
First Pennsylvania Banking & Trust, Philadelphia
THORS, J. EMERSON
Kuhn, Loeb & Co., New York
THORS, JAY E.
Asiel & Co., New York
TITUS, ALAN
First National City Bank, New York
TODD, WILLIAM H.*
Kuhn, Loeb & Co., New York
TOMASIC, ANTHONY E.*
Thomas & Co., Pittsburgh
TORREY, DAVID L.*
W. C. Pitfield & Co., New York
TOREY, GEORGE R.
McCormick & Co., Chicago
TOWBIN, BELMONT*
C. E. Unterberg, Towbin Co., New York
TRAINOR, COLEMAN E.
Peoples National Bank, Charlottesville
TRAVERS, WILLIAM P.
Francis I. duPont & Co., New York

*Denotes Mr. and Mrs.

IBA Past Presidents

1949 - 50	1948 - 49	1947 - 48
		
Albert T. Armitage	Hal H. Dewar	Julian H. Collins

IBA Past Presidents

1946 - 47

E. Hopkinson, Jr.

1945 - 46

Charles S. Garland

1943 - 44 - 45

John Clifford Folger

TRESCH, ARTHUR
A. E. Masten & Co., Pittsburgh
TREUHOLD, CHARLES R.
Lehman Brothers, New York
TRIPP, JEROME C. L.
Tripp & Co., New York
TSOLAINOS, K. P.*
Baker, Weeks & Co., New York
TULLER, ROBERT N.*
Tuller & Zucker, New York
TURBEN, CLAUDE F.
Merrill, Turben & Co., Cleveland
TURNER, ALFRED E.*
Ralph W. Davis & Co., Chicago
TURNER, JOHN W.
Eppler, Guerin & Turner, Dallas
UHLER, EDWARD A.
R. S. Dickson & Co., New York
UNDERHILL, ARTHUR J. C.
Arthur Wiesenberger & Co., New York
VALENTINE, II, HENRY LEE
Davenport & Co., Richmond
VALENTINE, JOHN W.
White, Weld & Co., Boston
VENEK, WILLIAM S.*
Manufacturers Trust Company, New York
VARNEDOE, SAMUEL L.
Varnedoe, Chisholm & Co., Savannah
VEIT, PETER R.
Hannahs, Ballin & Lee, New York
VIALE, CHESTER W.*
L. F. Rothschild & Co., New York
VICK, MAURICE B.
M. B. Vick & Co., Chicago
VIVIAN, RICHARD C.
The First Boston Corporation, New York
WADSWORTH, ARTHUR L.*
Dillon, Read & Co., New York
WAECKERLE, HAROLD E.*
Lucas. Eisen & Waeckerle, Kansas City
WAHLQUIST, GEORGE R.*
Weeden & Co., Chicago
WALBERT, RICHARD B.
Blyth & Co., Chicago

*Denotes Mr. and Mrs.

WALKER, Jr., G. H.*
G. H. Walker & Co., New York
WALKER, GRAHAM W.
Dempsey-Tegeler & Co., New York
WALKER, LOUIS
G. H. Walker & Co., Hartford
WALLACE, WILLIAM J.
Mellon National Bank, Pittsburgh
WALTER, ALFRED S.
Straus, Blosser & McDowell, Chicago
WANDERS, GEORGE*
The Bond Buyer, New York
WARD, FRANCIS V.
H. C. Wainwright & Co., Boston
WARD, MURRAY
E. F. Hutton & Co., Los Angeles
WARDEN, FRANK R.
Central National Bank, Des Moines
WASSERMAN, JOHN
Asiel & Co., New York
WATKINS, MILES A.*
Stubbs, Watkins & Lombardo, Birmingham
WATTERSON, WILLIAM H.
Fahey, Clark & Co., Cleveland
WEEDEN, ALAN N.
Weeden & Co., New York
WEEKS, Jr., ROBERT S.
F. S. Moseley & Co., Boston
WEHMANN, GILBERT H.*
White, Weld & Co., New York
WEINTRAUB, ALLAN
Bear, Stearns & Co., New York
WENDT, GEORGE B.*
First National Bank, Chicago
WERLY, CHARLES M.*
Putnam Fund Distributors, Boston
WESTON, LEWIS M.
Goldman, Sachs & Co., New York
WHITBECK, BRAINERD H.*
The First Boston Corporation, New York
WHITE, ALEXANDER M.
White, Weld & Co., New York
WHITE, GILBERT*
R. D. White & Co., New York
WHITE, KELTON E.
G. H. Walker & Co., St. Louis
WHITE, Mrs. KELTON E.
With Kelton E. White, St. Louis
WHITE, ROBERT F.
Craig-Hallum, Inc., Minneapolis
WHITESIDE, THOMAS
Chace, Whiteside & Winslow, Boston
WHITLOCK, DANIEL P.*
Ladenburg, Thalmann & Co., New York
WHITNEY, GEORGE K.*
Massachusetts Investors Trust, Boston
WHITNEY, Jr., WHEELOCK*
J. M. Dain & Co., Minneapolis
WIDENMANN, HANS A.
Carl M. Loeb, Rhoades & Co., New York
WIESENBERGER, ARTHUR
Arthur Wiesenberger & Co., New York
WILBUR, LeROY A.
Stein Bros. & Boyce, Baltimore
WILLEMS, HENRY F.
Hornblower & Weeks, New York
WILLIAMS, C. VINCENT
S. D. Fuller & Co., New York
WILLMORE, Jr., THOMAS F.*
Merrill Lynch, Pierce, Fenner & Smith Inc., Detroit
WILSON, FRANK
Barron's Weekly, New York
WINSLOW, PETER L.
Townsend, Dabney & Tyson, Boston
WINSLOW, SAMUEL R.*
Winslow, Cohu & Stetson, New York
WINSOR, III, JAMES D.
Yarnall, Biddle & Co., Philadelphia
WINSOR, JOHN R.*
Harris, Upham & Co., Minneapolis
WISE, JOSEPH B.
J. A. Hogle & Co., New York
WITTER, WENDELL W.
Dean Witter & Co., San Francisco
WOHLFORTH, ROBERT M.
Hemphill, Noyes & Co., New York
WOLFF, JAMES W.*
Zuckerman, Smith & Co., New York
WONHAM, FREDERICK S.*
G. H. Walker & Co., New York
WOOD, FRANK A.
Goodbody & Co., New York
WOOD, KENNETH H.
J. C. Bradford & Co., New York
WOODARD, RONALD B.
Raffensperger, Hughes & Co., Indianapolis
WRITER, GEORGE S.*
Peters, Writer & Christensen, Denver
WULBERN, EDWARD B.*
Pierce, Carrison, Wulbern, Inc., Jacksonville
YEAGER, III, G. THOMAS*
Baker, Watts & Co., Baltimore
YEARLEY, IV, ALEXANDER*
The Robinson-Humphrey Company, Atlanta
YOUNG, N. D.*
Dominion Securities Corporation, Toronto
YOUNG, RICHARD N.*
Kidder, Peabody & Co., Philadelphia
YUNKER, ROSWELL J.
A. M. Kidder & Co., New York
ZAHNER, VICTOR H.*
Zahner & Co., Kansas City

Geophysics Com. Stock Offered

C. E. Unterberg, Towbin Co. on Dec. 7 offered 50,000 shares of common stock of the Geophysics Corp. of America at $14 per share. Of the total offering 18,750 shares are being sold for the account of the company and 31,250 shares for the account of selling stockholders.

The company, organized in late 1958, is composed of four divisions: The Physics Research Division; the David W. Mann Co. Division; the Viron Division and the Physics Systems Division, of which the Physics Research Division is the core activity. This division engages primarily in research concerning the atmospheres and environments of the earth and planets, and space, including certain problems related to weaponry and space systems, and also engages in the development and construction of related instruments and prototype equipment.

The David W. Mann Co. Division develops, manufactures and sells precision measuring instruments. The Viron Division was established near the beginning of 1960 to engage in the design, development and manufacture of plastic balloons for use in atmospheric and space research and related applications. The Physics Systems Division was recently established. It is planned that this division will be oriented towards the development of systems relating to underseas warfare, nuclear propulsion and seawater conversion, and to ballistic missile defense.

Two With Calif. Investors

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Donald K. Brandt and Thomas E. Jones have been added to the staff of California Investors, 3932 Wilshire Boulevard, members of the Pacific Coast Stock Exchange.

Pub. Svce. Elec. Stock Offered

Merrill Lynch, Pierce, Fenner & Smith Inc. and associates offered on Dec. 14 250,000 shares of Public Service Electric & Gas Co. $100 par value 5.28% cumulative preferred stock at $102 per share.

Net proceeds to be received by the company from the sale of the shares will be added to the company's general funds and used for general corporate purposes, including the payment of a portion of the cost of the company's current construction program and the repayment of $15,000,000 to $20,000,000 of unsecured short-term bank loans.

The new preferred stock will be redeemable at the option of the company at $107 per share on or before Dec. 31, 1965, at $106 on or before Dec. 31, 1970, at $104 on or before Dec. 31, 1975, and at $103 on or after Jan. 1, 1976, plus in each case accumulated and unpaid dividends. Prior to Jan. 1, 1966, none of the shares may be redeemed from proceeds of any refunding operation where the cost is less than the dividend cost of this stock.

Public Service Electric & Gas Co. supplies electricity and gas in areas of New Jersey in which over 4,000,000 persons reside. The territory served includes industrialized areas in and around Newark, Jersey City, Paterson, Camden, Trenton and Elizabeth. The territory also includes a large number of medium-sized communities, primarily residential in character, in Bergen, Passaic, Essex, Union, Somerset and Camden counties.

Net income of the company for the 12 months ended Sept. 30, 1960, totaled $42,454,802 on total operating revenues of $387,712,118.

Form Investment Programs

WASHINGTON, D. C. — Investment Programs, Inc. has been formed with offices at 501 Thirteenth Street, N. W. to engage in a securities business. R. Bruce Hull is a principal of the firm.

Palestine Economic Corp.

Palestine Economic Corporation of New York, 18 East 41st Street, New York City, is engaging in a securities business. Aaron Baroway is a principal of the firm.

Now Inv. Fund Associates

WASHINGTON, D. C.—The firm name of Zook Investments, 1319 F Street, N. W., has been changed to Investment Fund Associates, Inc.

Two With Witter

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Kurt H. K. Boettger and Arthur McArthur are now with Dean Witter & Co., Equitable Building.

E. E. Henkle Adds

(Special to THE FINANCIAL CHRONICLE)

LINCOLN, Neb.—Carl C. Wohlfarth has been added to the staff of E. E. Henkle Investment Company, Federal Securities Building.

Investment Bankers Holds 49th Annual Convention

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er (Colorado) Country Club; Legal Club of Chicago; and Phi Gamma Delta.

Mr. Newton entered the Army Air Force in 1942 as a Second Lieutenant and served as Trial Judge Advocate for the Western Flying Training Command; later he became Legal Officer for the Procurement Division at Wright Field and left the service with the rank of Major.

He is married to the former Virginia Powell of Denver. They have three children. His hobby is fund raising for educational institutions and religious organizations.

The New President's Inaugural Remarks

The text of incoming President Newton's address follows:

"As the convention approaches its close, permit me to touch on a few points of IBA activity. Your Board of Governors, of course, will determine the IBA program to be undertaken this coming year. It is not difficult to imagine that many areas will be especially active, however time permits reference to only a few. Subsequent committee reports will keep you informed.

"Foremost perhaps, is the necessity to maintain maximum freedom from unreasonably burdensome Regulations, Rules and Legislation. Regulation is repugnant to most any American, certainly when it applies to him, but it is especially undesirable in the field of investment where flexibility is a cornerstone. Undue restriction prevents the investment industry from achieving top performance and therefore, indirectly constitutes a source of criticism which will condemn our industry for mediocrity — mediocrity bred through no fault of the industry.

"Federal Tax Laws and Federal Securities Acts are in for their share of attention from the new Congress and Administration. Here is the opportunity to redouble our efforts showing how unwise tax policies curtail the flow of capital to industry and thus retard economic growth. Also it should be emphasized how economic growth can be accelerated if the Federal Securities Acts expedite the raising of capital and help broaden securities markets.

"At the state level, enactment of Blue Sky Laws received most attention in the past. Now proper administration of these Acts should be of chief concern.

"Foreign securities are assuming increasing importance in our market places and thus deserve greater attention. This is of little wonder when, so I am told, it takes but slightly longer to get from New York to Europe by plane than it does from New York to Washington by train. One may not wish to offer foreign securities to customers but for those of us in the investment industry to be uninformed about them would be a serious oversight. An isolationist attitude in the securities market today may be the modern version of Custer's Last Stand.

"Small business investment companies have been legislated into the investment banking picture and now with little fanfare are a reality. Here is a new system of capital financing. An additional facet of investment banking. Legislation authorizing these entities already has been amended several times to stimulate their growth. The impact of this newest arrival may be most emphatic, particularly as time goes on. Its development should be interesting and a subject of close study.

"Perhaps the most significant step to be taken by the IBA recently is the establishment of a research program. A study of our industry is being planned which will be carried on by established academic personnel. Through such a study we expect to have industry facts and figures to help in determined association policy and position as well as being a guide for formulation of future plans. Implementation of this program will be undertaken with the greatest care and thought.

"Accomplishments of this industry depend on us—what each of us **does** and **says.** This is an **industry of integrity.** So seldom is she violated that when it does occur it is front-page news. Unfortunately such publicity is long remembered and attributed to all the industry. Therefore, the conduct of each of us must be impeccable. To act otherwise compromises not only our associates and members of the industry but the free enterprise system as well. It is the investment banking industry that enables the free enterprise system to finance the industrial and business needs of this nation with **private capital.** The alternative is financing by government. If and when this becomes the order of the day we no longer have free enterprise.

"Therefore, the ramifications can be far reaching indeed if industry performance is permitted to become inadequate through whatever means, be it indiscreet conduct of industry members, hobbling regulations or unsound taxes.

"To be most effective we must strive continually to be better informed, especially with respect to the fundamentals of the free enterprise system, including the importance of profit. After all, it is the incentive of profit that makes management think and plan more astutely, gets the investor to risk his capital so that labor can have modern tools and facilities and motivates employees to work their best so they will have more to share.

"Finally, we must be articulate and prepared to speak out in behalf of the free enterprise system, on the importance of profit and on the tremendous contribution the investment banking industry makes to the economic growth and life of this country. Perhaps then we can be more persuasive with public officials, special groups and the general public.

"If each of us pledges to be an industry statesman of stature, informed and articulate, then with prayerful humility our tasks will be performed and with God's help performed well."

The Retiring President's Address

Final remarks by James J. Lee on stepping down as President of the IBA:

"The year 1960 has seen some positive accomplishments by your Association which were highlighted by the approval by your Board of Governors of the Report of the Research Committee, and the action of the membership at this convention approving an amendment to the By-laws imposing an assessment to finance this project. A Committee will be formed to supervise and guide the development of this project which will be composed of men with im-

IBA Past Presidents

1942 - 43

Jay N. Whipple

1938 - 39

Jean C. Witter

1936 - 37

Edward B. Hall

1935 - 36

Orrin G. Wood

1934

G. W. Bovenizer

1931 - 32

Allan M. Pope

agination and drive and who are fully qualified to represent your Association. It takes a long time to build up, but it doesn't take long to destroy. It will take three years to accomplish this work and you will receive interim reports from your Research Committee.

"Our municipal information program which has been thoroughly discussed and outlined in material prepared by the Municipal Committee needs no further comment in this report except to advise you of the plans of the committee, — 'Paraphrase report of Fred Stone's Committee.'

"There are many unresolved problems confronting this segment of our business and I urge upon all members that they never let their basic and honest judgment be overshadowed by the profit motive. I urge that they look very carefully into the philosophy back of such revenue financing that they may contemplate undertaking. Let us try at all times to be guided by a compass that has been properly compensated.

"This latter generalization on our business can be equally applicable to corporate finance. On occasions in my opinion, we have let a potential profit unduly affect our judgment and the proper evaluation of the security that is being promoted—promoted in the best sense of the word. The old measure of value of 'Would you buy it yourself?' still holds of whether or not it is good for your customers.

Discusses Competitive Bidding

"One aspect of our business that I have not referred to in talks to the various groups but which I would like to mention in my final remarks, relates to competitive bidding.

"The 'risk' and 'merchandising' spreads which are taken by our members is to say the least unrealistic. For years our membership individually has questioned their own judgment in participating in this kind of competitive suicide. Why don't they do something about it?

"There is an answer, which is simple yet difficult, that if dealers resolved, not in unison, for that would obviously be unlawful, but individually, that his risk, his effort and his time are being squandered there should be a revulsion against this type of commitment until a more equitable profit can be obtained. I believe there can be developed an approach to this competitive bidding problem which would make it more profitable to our members if more realistic views are taken by dealers individually. In no way am I questioning competitive bidding, as a means of financing. I am just trying to bring to your attention this important matter and urging a more realistic approach to the rewards to 'risk' and 'merchandising.' What I am saying is that each of us individually after examining a particular deal will 'drop out' of the group if we think we are not being adequately compensated for our risk and services.

IBA Sponsors Comprehensive Study

The Investment Bankers Association of America will sponsor a comprehensive study of the investment banking business, it was announced by retiring President James J. Lee. Sponsorship of the project was approved by delegates to the Convention.

Such a complete survey has never been made before 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 Professor Irwin Friend.

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

Education Committee Report

The following remarks were made by Chairman Robert O. Shepard on the work of the Education Committee:

"The report of your Education Committee this year will again be in the form of the IBA Educational Bulletin—a 90-page printed document. In it are recounted many hours of work on the part of individual members, IBA Groups, the National Education Committee and its sub-committees. These may be found at the Registration desk.

"I can describe this as an excellent piece of work (1) because the editors were Erwin W. Boehmler, IBA Education Director and his capable staff assistant, Robert Girmschied and (2) because it tells about your activities from one end of the country to the other. It is worthwhile reading.

Coordinated Effort

"At the beginning of my work as Chairman of this committee three years ago, I felt that our industry as a whole could be more effective through greater coordination among the associations representing various segments of our business. In my address at the 1958 Convention, I suggested a meeting to pursue this thought. Unfortunately a meeting date to fit the busy schedules of the men involved was not found and such a meeting has not thus far taken place.

"I may be a bit naive in thinking that much could be accomplished from such a conference but we are all working toward the same goals and a sharing of ideas which might result in a concentration on common objectives would appear to have practical merit.

Upgrading Suggestions

"Some recent actions are worthy of comment. In a recently published address by G. Keith Funston, President of the New York Stock Exchange, emphasis was directed to the *quality* and *training* of our people. He pointed to steps being taken by his organization for (1) raising minimum qualifications; (2) providing training courses; and (3) conference programs and refresher courses for seasoned personnel. I applaud this thinking and also his recommendation for a standardized securities examination for all new people coming into our business.

"These suggestions for upgrading our people who have contact with the investing public are sound and should be encouraged if we are to improve the professional standing of the members of our industry.

Public Instruction

"For the public, we see lecture courses by IBA groups, by individual firms, by colleges and universities in cooperation with member groups. Motion picture and slide film presentations are available and are used extensively.

Personnel Training

"For the personnel of our members, great progress has been and

Continued on page 108

IBA Past Presidents

1930 - 31

Henry T. Ferriss

1929 - 30

Trowbridge Callaway

1925 - 26

Ray Morris

Investment Bankers Holds 49th Annual Convention

Continued from page 107

is being made. Historically, IBA developed training courses for new personnel just after World War II. Initially such courses were offered in more than thirty cities only to be discontinued by many groups after several years of providing good fundamental instruction.

The Central States Group, in cooperation with Northwestern University, continued their annual programs. This spring the 18th class was graduated.

Cooperation by Industry Groups

"About two years ago the New York Stock Exchange became interested in directly sponsoring a training program and introduced a course in Stock Exchange Operations in Chicago. This course was offered through Northwestern University and administered by the Education Committee of the IBA Central States Group. That Group is now offering in sequence, each fall, the long established IBA course in Fundamentals of Investment Banking and the new NYSE-sponsored course, Stock Exchange Operations. Registrants who complete this dual program are not required to take the NYSE qualifying examination.

Here is an excellent example of cooperation by two industry groups.

"The IBA Correspondence course in the Fundamentals of Investment Banking has been available since 1950.

"Courses in San Francisco, Los Angeles and other cities are now annual events as more fully described in the Bulletin.

Concentrated Classroom Course

"Two years ago a four-weeks concentrated summer classroom version of the course Fundamentals of Investment Banking was successfully launched at Northwestern University.

"The third offering will be made next summer and present plans call for an additional period of instruction in Stock Exchange procedure.

The Management Seminar

"The newest IBA training project is the Seminar on 'The Management Function in the Investment Banking Industry' sponsored by the New York Group Education Committee this fall. The course is presented from the viewpoint of the managing partner or officer. Those who enrolled are warm in their praise. Details are found in our Bulletin.

The IBA Institute

"For executive development, the IBA Institute of Investment Banking continues its superb function. Again, in 1960, we had a capacity registration with many necessarily put on the preferred list for 1961 who could not be accommodated this year. Eighty-nine program participants served as teachers, speakers and panel members to 250 registrants. (Details in the Educational Bulletin.)

"The 1961 Institute will again be held at Wharton, March 26-31.

Essay Contest Winners

"For the last two years, it has been my pleasure to present to you the winners of the Institute essay contest—this happy task is mine again.

"The winner of the First Year Class is Thomas F. Willmore, Jr. Following several years of active duty in the U. S. Navy as lieutenant commander, he was employed by Merrill Lynch, Pierce, Fenner & Smith, Inc., and assigned to their Detroit office. In 1950 he was appointed Assistant Manager of that office and in January, 1958 was made Manager of the new Fisher Building office.

"Tom Willmore has been active in IBA matters — the Education Committee, Invest-In-America activity in Detroit and in other parts of Michigan. He has served as Chairman of the Michigan Group of IBA.

"His essay is entitled 'The Market Potential for the Securities Business and Its Realization by the Securities Dealer," and I am happy to present to him $250 prize for the winning paper for the First Year Class.

All Institute Winner

"The winning paper for the Second Year Class, which is also the best paper submitted by any 1960 registrant, was written by W. Marshall Schmidt. He has been with Hornblower & Weeks since 1957, and is Manager of the Municipal Bond Department in the firm's Philadelphia office. Previously he spent nine years with Drexel & Co.

"Mr. Schmidt's paper is entitled 'An Evaluation of Changes of Credits of State and Local Municipal Units and the Development of the Authority as a Vehicle for Financing in Pennsylvania Since 1950." It shows good knowledge of the subject and also the result of much research and reference work. The prize of $500 goes with this honor."

Committee Members

The Education Committee membership follows:

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

William O. Alden, Jr.
O'Neal, Alden & Co., Inc.
Louisville

Walter E. Auch
Bache & Co.
Detroit

Ned B. Ball
Merrill Lynch, Pierce, Fenner & Smith, Incorporated
Portland

Frederic C. Beil, Jr.
Beil & Hough, Inc.
St. Petersburg

H. Lawrence Bogert, Jr.
Eastman Dillon, Union Securities & Co.
New York

Joel H. Cowdrey
Merrill Lynch, Pierce, Fenner & Smith, Incorporated
Dallas

John W. Dayton, Jr.
Clark, Dodge & Co., Inc.
New York

Jack O. Doerge
Saunders, Stiver & Co.
Cleveland

Ben H. Eaton
Dean Witter & Co.
Los Angeles

Gage C. Frick
H. O. Peet & Co.
Kansas City

George S. Kemp, Jr.
Abbott, Proctor & Paine
Richmond

Wm. Dobson Kilduff
E. F. Hutton & Company
San Francisco

Robert A. Krysa
Harold E. Wood & Company
St. Paul

William J. Lawlor, Jr
Hornblower & Weeks
Chicago

Edgar J. Loftus
W. E. Hutton & Co.
Philadelphia

Luttrell Maclin
Paine, Webber, Jackson & Curtis
New York

Robert Mason
Merrill Lynch, Pierce Fenner & Smith, Incorporated
Chicago

Leonard J. Paidar
Goodbody & Co.
Chicago

Gerald P. Peters, Jr.
Peters, Writer & Christensen, Inc.
Denver

Edwin J. Pingree
F. S. Moseley & Co.
Boston

Eugene M. Reese
Newhard, Cook & Co.
St. Louis

Leslie B. Schwinn
L. B. Schwinn & Co.
Cleveland

Harold H. Sherburne
Bacon, Whipple & Co.
New York

Justin J. Stevenson, Jr.
W. E. Hutton & Co.
Cincinnati

Frank E. Voysey
Kidder, Peabody & Co.
Chicago

Wendell W. Witter
Dean Witter & Co.
San Francisco

George R. Young
Kay, Richards & Co.
Pittsburgh

Invest in America Committee

A summary report of the Invest in America Committee, presented by Chairman George J. Otto, a partner in Irving Lundborg Co., San Francisco, Calif., follows:

"The Invest in America Program is becoming more and more a year-round activity, reaching a focal point during Invest in America Week. This spring, Invest in America Week was from April 24 through April 30.

George J. Otto

"Representatives of the IBA continue to play a very important part in the nation-wide program. At the same time, it has been found that where the IBA itself remains in the background, the program is more effective.

"The principal major new development was a program conducted from Portland throughout the state of Oregon. This was stimulated and coordinated by James H. Zilka, Zilka & Smither Co., Inc., with the aid and assistance of the Searcy Advertising Agency.

"The most effective programs were generally coordinated through the help of professional public relations organizations, which were retained by the local committees. On the West Coast, the Seattle, Portland, San Francisco, Fresno, Los Angeles and San Diego programs all were directed by professional public relations people.

"The Northern California Invest in America program for 1959 was again singled out by the Freedoms Foundation at Valley Forge and was recipient of one of its awards in recognition of that area's program as 'an outstanding achievement in bringing about a better understanding of the American

Way of Life.' This was the third time in the past four years the Northern California Committee has received such recognition.

"The program, coordinated from the Northern California headquarters in San Francisco, dramatizes what can be accomplished through the joint efforts of various groups working together. Its highlights included:

(a) Civic luncheon, Sheraton-Palace Hotel, Monday, April 25—guest of honor, L. L. Colbert, President of Chrysler Corp. Over 850 tickets were sold. Mr. Colbert's remarks were entitled, 'Investment in America as a Force for Peace.'

(b) Invest in America Competitions were conducted among 17 San Francisco public, private and parochial high schools and five Oakland public high schools. The San Francisco winners were honored at a special luncheon held in cooperation with the Kiwanis Club. Prizes were awarded to the best entries from each school and to the best received from all entries submitted. Such prizes consisted of actual stock in American corporations, $25 deposits in savings accounts and institutions of the winners' choice and a $1,000 life insurance policy, premiums of which were paid five years in advance. In addition, honorary certificates were awarded to over 100 additional students in recognition for the quality of their entries.

(c) Oratorical contests were held among Junior Achievers from five Northern California communities. Stocks and funds for savings deposits were awarded the winners in these contests and the over-all winner was honored at a public function.

(d) Industrial editors accepted material on a broad basis, the results of which will be noted for some months.

(e) Over 300 24-sheet billboards were posted throughout Oregon, Washington and California.

(f) The following materials were printed and widely distributed from the Northern California headquarters: (1) 175,000 envelope stuffers entitled, 'Money at Work Means Men at Work.'; (2) 15,000 posters and counter cards,; (3) 11,000 dining car table tents, and (4) 6,000 window streamers.

(g) Radio and television spots and announcements were used extensively. There were developed by the Los Angeles County Committee. The Northern California and Los Angeles County Committees covered all radio and tevelision stations throughout California and divided the costs involved equally between the two Committees.

"Plans are already being developed for the 1961 observances, which will reach their focal point during Invest in America Week, April 30 through May 6, 1961. Past experience has indicated that the most effective programs which reach their climax during Invest in America Week are those which are initiated at this time or no later than the first of the year."

The New Governors

The incoming Governors elected by their respective groups and inducted into office at the Convention are:

California: Harvey J. Franklin, Merrill Lynch, Pierce, Fenner & Smith Inc., San Francisco; Murray Ward, E. F. Hutton & Co., Los Angeles.

Central States: Hardin H. Hawes, Harris Trust & Savings Bank, Chicago; Roy W. Lenche, First of Iowa Corporation, Des Moines; Edward D. McGrew, The Northern Trust Co., Chicago.

Eastern Pennsylvania: George W. Elkins, Jr., Elkins, Morris, Stokes & Co., Philadelphia.

Michigan: William L. Hurley, Baker, Simonds & Co., Inc., Detroit.

Minnesota: Arthur H. Rand, Jr., Woodard-Elwood & Co., Minneapolis.

Mississippi Valley: Elvin K. Popper, I. M. Simon & Co., St. Louis.

New England: Robert S. Weeks, Jr., F. S. Moseley & Co., Boston.

New York: John F. Curley, Paine, Webber, Jackson & Curtis, New York; W. Neal Fulkerson, Jr., Bankers Trust Co., New York; J. Emerson Thors, Kuhn, Loeb & Co., New York.

Northern Ohio: W. Yost Fulton, Fulton, Reid & Co., Cleveland; Fred W. Hudson, Ball, Burge & Krause, Cleveland.

Ohio Valley: Howard H. Banker, C. J. Devine & Co., Cincinnati.

Pacific Northwest: Charles W. Easter, Blyth & Co., Inc., Seattle.

Southern: W. Olin Nisbet, Jr., Interstate Securities Corporation, Charlotte, N. C.; Carr Payne, Cumberland Securities Corporation, Nashville, Tenn.

Southwestern: Frank W. North, Barrett, Fitch, North & Co., Kansas City, Mo.; Victor H. Zahner, Zahner & Co., Kansas City, Mo.

National Committee Chairmen

The names of the new National Committee Chairmen for 1960-'61.

Arrangements: George S. Writer, Peters, Writer & Christensen, Inc., Denver.

Aviation Securities: Edward J. Morehouse, Harriman Ripley & Co., Inc., New York.

Canadian: Norman J. Alexander, James Richardson & Sons, Winnipeg, Canada.

Conference: William D. Kerr, Wertheim & Co., New York.

Education: Robert Mason, Merrill Lynch, Pierce, Fenner & Smith Inc., Chicago.

Institute Planning: Harold H. Sherburne, Bacon, Whipple & Co., New York.

Invest - in - America: George J. Otto, Irving Lundborg & Co., San Francisco.

Federal Securities Acts: Albert Pratt, Paine, Webber, Jackson & Curtis, Boston.

Federal Taxation: Walter Maynard, Shearson, Hammill & Co., New York.

Finance: Erwin A. Steubner, Kidder, Peabody & Co., Chicago.

Foreign Investment: Arthur L. Wadsworth, Dillon, Read & Co., Inc., New York.

Governmental Securities: George B. Kneass, The Philadelphia National Bank, Philadelphia.

Group Chairmen's: Paul W. Fairchild, The First Boston Corp., Chicago.

Industrial Securities: J. Victor Loewi, Loewi & Co., Inc., Milwaukee.

Insurance Securities: Shelby Cullom Davis, Shelby Cullom Davis & Co., New York.

Investment Companies: Herbert R. Anderson, Distributors Group, Inc., New York.

Membership: Charles C. Pierce, Rauscher, Pierce & Co., Inc., Dallas.

Municipal Securities: Alan K. Browne, Bank of America, N. T. & S.A., San Francisco.

Nominating: James J. Lee, W. E. Hutton & Co., New York.

Nuclear Industry: Paul F. Genachte, The Chase Manhattan Bank, New York.

Oil and Natural Gas Securities: L. Emery Katzenbach II, White, Weld & Co., New York.

Public Utility Securities: Carl C. Brown, Dean Witter & Co., New York.

Railroad Securities: James L. Sheehan, Dick & Merle-Smith, New York.

Research: Ralph F. Leach, Morgan Guaranty Trust Co., New York.

State Legislation: Robert A. Podesta, Cruttenden, Podesta & Co., Chicago.

Stock Exchange Relations: Marco F. Hellman, J. Barth & Co., San Francisco.

Syndicate: Robert A. Powers, Smith, Barney & Co., New York.

The Group Chairmen

The Group Chairmen for 1960-1961 are as follows:

California: Harvey J. Franklin, Merrill Lynch, Pierce, Fenner & Smith Inc., San Francisco.

Canadian: Norman J. Alexander, James Richardson & Sons, Winnipeg.

Central States: Wilton S. Emrich, Julien Collins & Co., Chicago.

Eastern Pennsylvania: Stanley A. Russell, Jr., Blyth & Co., Inc. Philadelphia.

Michigan: Robert A. Benton, Jr., Manley, Bennett & Co., Detroit.

Minnesota: John R. Winsor, Harris, Upham & Co., Minneapolis.

Mississippi Valley: Louis A. Lanford, Hill, Crawford & Lanford, Inc., Little Rock, Ark.

New England: Joseph Mattison, Jr., Estabrook & Co., Boston.

New York: Lloyd B. Hatcher, White, Weld, & Co., New York City.

Northern Ohio: Herman B. Joseph, Joseph, Mellen & Miller, Inc., Cleveland.

Ohio Valley: Henning Hilliard, J. J. Hilliard & Son, Louisville, Ky.

Pacific Northwest: E. Richard Larson, Richards, Merrill & Peterson, Inc., Spokane.

Rocky Mountain: Roscoe B. Agren, Cruttenden, Podesta & Co., Denver.

Southeastern: F. Barton Harvey, Jr., Alex. Brown & Sons, Baltimore.

Southern: Harrison Clarke, The Johnson, Lane, Space Corp., Atlanta.

Southwestern: Frank W. North, Barret, Fitch, North & Co., Inc., Kansas City, Mo.

Texas: Russell R. Rowles, Rowles, Winston & Co., Houston.

Western Pennsylvania: A. Lowrie Applegate, Hulane, Applegate & Humphrey, Inc., Pittsburgh.

Site and Date of Next Year's Convention

The I. B. A.'s governors voted to have the 1961 annual convention at the Hollywood Beach and The Diplomat Hotel, Hollywood, Fla., during the week of Nov. 26-Dec. 1. This is the same convention site at this year's.

Form Pacific Investors

(Special to THE FINANCIAL CHRONICLE)

HOLLYWOOD, Calif. — Ray H. Johnson, Jr. is engaging in a securities business from offices at 1810 North Highland Avenue under the firm name of Pacific Investors Securities Co.

Gold and Sound Money

Continued from page 21

cipline equal to that now imposed by the movement of metal from country to country.

The Gold Message and Sound Money

Though we cannot put gold back on its past pedestal, we most certainly cannot ignore its present message. Gold is still the stern voice of monetary discipline. For some time now it has been proclaiming the need to keep our money sound and to put our balance-of-payments position in order. The message was read sooner and more clearly in the weekly charting of our official gold outflow than in the erratic price movements of the foreign gold markets.

We have been losing gold at a brisk rate—not to speculators, not to nervous hoarders, but to governments and central banks of countries that have piled up dollar claims against us. They have continued increasing their dollar holdings, still showing confidence in our currency. But, as our negative balance of payments keeps providing them with dollars, they inevitably cash some of them for gold.

Thus our massive gold supply—still nearly half the free-world monetary total—buys us time in which to cure the stubborn imbalance in our international transactions. It buys us time, but it will not buy us an eternity—we must press vigorously on with every sensible measure to correct soon the deficit in our foreign payments.

We can be heartened that our government is going at the job with determined measures, and we must trust that the new Administration will carry the work forward. The directives issued by President Eisenhower this month, to minimize the balance-of-payments impact of government operations abroad, dramatize both to our own people and to our allies the earnestness with which we view the problem. This will reinforce our continuing efforts to persuade our prosperous partner nations to carry a larger share of our joint burdens in military preparedness and economic assistance. Persuasion in these delicate matters will take time and persistence, as was evident in Europe recently. But our case is a valid one and should be successful in its outcome.

Devaluation Not the Answer

The efforts we ourselves are making will also add weight to our argument when we press for removal of barriers that still discriminate against our exports. It also will help explain why we may have to "tie" an increasing proportion of our foreign-aid grants and loans to the purchase of American goods. This "tying" of aid is not an attractive idea for us, and we should drop it as soon as other countries cut the "ties" which effectively bind their grants and loans. Right now we must employ every appropriate means to strengthen our payments position.

To our country's credit, we find no serious advocacy of trying to solve our problem by taking the dead-end road of devaluation, making our gold worth more by writing up its price and writing the dollar down. That course would not buy time, it would only buy trouble. Other countries, to protect their exports, would devalue with us; all faith in currencies would jeopardized; the gold-poor underdeveloped countries woulld be further impoverished; and we would present the Soviet Unioan with a huge gift in the appreciated value of its considerable gold holdings. It would be silly, and it would be immoral.

No, we are nowhere near the point that would even call for consideration of such an extreme move. We can defend the dollar with sensible policies, underpinned by the bedrock of a sound economy. We have to work from the bedrock up — move forward with our technology, get rid of growth barriers in our tax structure, sharpen our competitive abilities in world trade, walk the straight line of monetary and fiscal integrity.

Alerted by the warning signal of gold, we are tidying up the house of our financial policies. While we are doing so, let's straighten a few pieces of old furniture.

Would Prohibit Gold Purchases Abroad

Our gold policy now prohibits residents of the United States from owning refined gold in this country. That policy should be extended to prohibit the holding of gold anywhere by U. S. residents.

The purchase of gold abroad is, in practice, a privilege of rather limited availability. The means and mechanisms required for its exercise make it so. And the exercise of its runs counter to our basic national gold policy. It can have very unfortunate side-effects. When people living here buy gold in foreign markets, observers abroad tend to exaggerate the significance. The buying of speculators or eccentrics is likely to be mistaken for signs of concern among responsible investors.

Sealing up this gap in our gold policy would in no way interfere with the freedom of all residents to change their dollars into any foreign currency, to spend or invest their dollars anywhere in the world. Maintaining freedom of currency exchange is essential to the defense of the dollar; allowing a relatively few individuals to own gold overseas is not.

Along with protecting our store of gold, we should make clear—to our own people and to the world — what our gold is for, namely for making international settlements, not for redeeming our currency and deposits. Requiring a reserve of 25% in gold against the notes and deposits of the Federal Reserve banks makes our gold supply for international payments only about one-third of our total gold holdings. Nearly $12 billion worth is set aside as a reserve against something it cannot be used to redeem.

As far back as the early 1930's, monetary scholars were questioning the wisdom of central bank reserve requirements expressed in gold or foreign exchange, and this line of questioning has recently been revived. Such requirements illogically make a country's domestic money supply a charge against its international reserves.

Favors Repeal of Gold Reserve Statute

Repeal of the 25% gold-backing provision would be a logical step in the further improvement of our international monetary framework. So that it will be clearly understood as such, it probably should wait until our balance-of-payments position shows more clearly the results of our buckling down to the basic problems. In that favorable setting, repeal of the gold reserve requirement will be seen for what it is—a change to a more realistic statement of the strength of our gold position.

As I cautioned at the outset, this discussion has been mostly about money. Why do I—and why do so many others these days—place so much stress on sound money? It is not out of concern for the cold inanimate gold lying heavily in dark vaults, but rather for the meaning of money in the lives and welfare of people—all people. Such temporary inconveniences, or even hardship, as the maintenance of sound money may entail is small compared with the painful, long-lasting hardships that are wrought by unsound money. Most of remember the early 1930's, when currency after currency was left to wander in stormy seas with only drifting lights to steer by. We remember those days as a period of world-wide financial chaos; but, more than that, we remember the long lines at bank windows and soup kitchens; the silent factories; the still ships; the idle, anxious people.

Our well-being as individuals—all one hundred eighty million of us in this country — our jobs, our homes, our opportunities, will be directly affected by what we as a nation do about our money. Put in its proper place, money is not man's enemy, not his undoing, not his master. It is his servant, and it must be made to serve him well. As bankers, this must always be our first concern with the substance in which we deal. This must be our perspective when we speak of men and money.

*An address by Mr. Alexander before the Investment Bankers Association of America Convention, Hollywood Beach, Florida, Nov. 28, 1960.

Per Jacobsson In Agreement With Alexander

In an address before the annual meeting of the Institute of Life Insurance, New York City, Dec. 13, the IMF's Managing Director concurred with Henry C. Alexander's proposal on gold. The following extract is from Per Jacobsson's remarks on the subject. [Ed. Note—cf. p. 20 of this issue for full text of Mr. Alexander's address.]

Per Jacobsson

"In a recent speech, Mr. Henry C. Alexander, Chairman of the Board of the Morgan Guaranty Trust Company of New York also suggested that the Federal Reserve System's obligation to maintain 25% gold backing against notes and deposits should be abolished, so that all the U. S. gold would be fully available as cover against external liabilities. In a Staff Study on International Liquidity, which was published by the Interantional Monetary Fund in 1958, it was noted that a great number of countries have seen fit to abolish cover requirements in terms of gold because gold is mostly no longer needed for internal purposes, but only for the settlement of international obligations. For my part, I think it would be all to the good if the maintenance of the 25% gold cover rule, as well as the $4\frac{1}{4}$% interest rate limitation, could be removed simultaneously. I am sure that opinion abroad would regard the simultaneous removal of these two limitations with approval, and that such steps would thus contribute to a strengthening of confidence in the dollar."

With McCourtney-Breckenridge & Co.

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Charles E. Shelton is now affiliated with McCourtney - Breckenridge & Co., Boatmen's Bank Building, members of the Midwest Stock Exchange. He was formerly with Waddell & Reed, Inc.

Joins Ball, Burge Firm

(Special to THE FINANCIAL CHRONICLE)

AKRON, Ohio—Barbara R. Wagner has joined the staff of Ball, Burge & Kraus, First National Tower Building.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Dec. 17	§48.3	*49.0	51.6	96.3
Equivalent to—					
Steel ingots and castings (net tons)	Dec. 17	§1,387,000	*1,396,000	1,470,000	2,726,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Dec. 2	6,984,210	6,992,460	6,940,060	7,026,525
Crude runs to stills—daily average (bbls.)	Dec. 2	¶7,834,000	8,092,000	7,830,000	7,983,000
Gasoline output (bbls.)	Dec. 2	29,053,000	28,776,000	27,785,000	28,772,000
Kerosene output (bbls.)	Dec. 2	2,755,000	3,108,000	2,988,000	2,600,000
Distillate fuel oil output (bbls.)	Dec. 2	12,934,000	13,367,000	12,362,000	13,168,000
Residual fuel oil output (bbls.)	Dec. 2	6,711,000	6,257,000	5,897,000	6,713,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Dec. 2	187,242,000	187,906,000	184,350,000	181,406,000
Kerosene (bbls.) at	Dec. 2	36,902,000	37,099,000	36,745,000	30,351,000
Distillate fuel oil (bbls.) at	Dec. 2	172,642,000	175,741,000	180,453,000	164,093,000
Residual fuel oil (bbls.) at	Dec. 2	49,339,000	*48,808,000	49,079,000	53,898,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Dec. 3	522,936	471,400	599,493	649,582
Revenue freight received from connections (no. of cars)	Dec. 3	448,206	472,828	512,046	524,304
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Dec. 8	$446,100,000	$385,000,000	$314,400,000	$293,700,000
Private construction	Dec. 8	192,200,000	172,700,000	130,300,000	154,800,000
Public construction	Dec. 8	253,900,000	212,300,000	184,100,000	138,900,000
State and municipal	Dec. 8	181,300,000	173,500,000	143,000,000	98,700,000
Federal	Dec. 8	72,600,000	38,800,000	41,100,000	40,200,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Dec. 3	7,310,000	6,390,000	7,925,000	9,221,000
Pennsylvania anthracite (tons)	Dec. 3	372,000	*327,000	387,000	471,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Dec. 3	232	*172	149	249
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Dec. 10	14,604,000	14,368,000	14,111,000	14,167,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Dec. 8	360	290	298	248
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Dec. 6	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Dec. 6	$66.32	$66.32	$66.32	$66.41
Scrap steel (per gross ton)	Dec. 6	$28.50	$28.50	$28.17	$42.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Dec. 7	29.600c	29.600c	29.600c	33.300c
Export refinery at	Dec. 7	28.450c	28.200c	26.825c	30.850c
Lead (New York) at	Dec. 7	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Dec. 7	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Dec. 7	13.500c	13.500c	13.500c	13.000
Zinc (East St. Louis) at	Dec. 7	13.000c	13.000c	13.000c	12.500c
Aluminum (primary pig, 99.5%) at	Dec. 7	26.000c	26.000c	26.000c	24.700
Straits tin (New York) at	Dec. 7	101.875c	102.000c	103.250c	99.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Dec. 13	87.36	86.25	87.56	81.65
Average corporate	Dec. 13	86.51	86.51	87.05	84.04
Aaa	Dec. 13	90.91	90.91	91.62	87.86
Aa	Dec. 13	88.67	88.81	89.37	85.85
A	Dec. 13	86.11	86.11	86.24	83.79
Baa	Dec. 13	80.93	*80.93	81.42	79.13
Railroad Group	Dec. 13	83.91	83.91	84.43	81.78
Public Utilities Group	Dec. 13	87.72	87.72	88.13	84.17
Industrials Group	Dec. 13	88.13	*87.99	88.67	86.24
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Dec. 13	3.84	3.96	3.80	4.39
Average corporate	Dec. 13	4.67	4.67	4.63	4.86
Aaa	Dec. 13	4.35	4.35	4.30	4.57
Aa	Dec. 13	4.51	4.50	4.46	4.72
A	Dec. 13	4.70	4.70	4.69	4.88
Baa	Dec. 13	5.11	*5.11	5.07	5.26
Railroad Group	Dec. 13	4.87	4.87	4.83	5.04
Public Utilities Group	Dec. 13	4.58	4.58	4.55	4.85
Industrials Group	Dec. 13	4.55	*4.56	4.51	4.69
MOODY'S COMMODITY INDEX	Dec. 13	354.9	355.8	354.3	375.1
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Dec. 3	307,561	261,948	355,583	338,557
Production (tons)	Dec. 3	280,359	270,596	308,733	295,929
Percentage of activity	Dec. 3	79	81	88	8[illegible]
Unfilled orders (tons) at end of period	Dec. 3	409,354	384,818	469,198	476,497
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Dec. 9	108.90	108.80	108.71	111.67
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Nov. 18	2,207,890	2,121,150	1,657,490	2,695,570
Short Sales	Nov. 18	450,870	504,400	332,150	419,240
Other sales	Nov. 18	1,696,720	1,744,230	1,469,940	2,250,120
Total sales	Nov. 18	2,147,590	2,248,630	1,802,090	2,669,360
Other transactions initiated off the floor—					
Total purchases	Nov. 18	342,990	318,310	248,910	379,500
Short Sales	Nov. 18	33,100	50,300	41,300	34,100
Other sales	Nov. 18	251,160	329,170	288,730	403,840
Total sales	Nov. 18	284,260	379,470	330,030	437,940
Other transactions initiated on the floor—					
Total purchases	Nov. 18	678,865	710,684	720,318	1,005,310
Short Sales	Nov. 18	142,520	164,500	77,530	240,063
Other sales	Nov. 18	521,208	587,959	633,900	1,073,473
Total sales	Nov. 18	663,728	752,459	711,430	1,313,536
Total round-lot transactions for account of members—					
Total purchases	Nov. 18	3,229,745	3,150,144	2,626,718	4,080,380
Short Sales	Nov. 18	626,490	719,200	450,980	693,403
Other sales	Nov. 18	2,469,088	2,661,359	2,392,570	3,727,433
Total sales	Nov. 18	3,095,578	3,380,559	2,843,550	4,420,836
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Nov. 18	1,427,017	1,446,667	1,369,877	1,959,235
Dollar value	Nov. 18	$68,206,820	$67,541,044	$63,503,520	$101,064,443
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Nov. 18	1,401,147	1,191,602	1,272,203	1,644,026
Customers' short sales	Nov. 18	17,551	22,367	23,024	10,671
Customers' other sales	Nov. 18	1,383,596	1,169,235	1,249,179	1,633,355
Dollar value	Nov. 18	$66,418,736	$56,966,684	$60,371,920	$81,686,253
Round-lot sales by dealers—					
Number of shares—Total sales	Nov. 18	436,900	324,570	388,950	425,630
Short Sales	Nov. 18				
Other sales	Nov. 18	436,900	324,570	388,950	425,630
Round-lot purchases by dealers—Number of shares	Nov. 18	458,900	561,210	461,250	738,900
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short Sales	Nov. 18	857,750	1,015,870	690,710	833,500
Other sales	Nov. 18	13,494,030	13,131,790	12,719,340	17,098,380
Total sales	Nov. 18	14,351,780	14,147,660	13,410,050	17,931,880
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Dec. 6	119.5	119.6	119.4	119.0
Farm products	Dec. 6	89.1	89.7	88.6	85.7
Processed foods	Dec. 6	109.1	109.2	109.0	105.5
Meats	Dec. 6	97.5	97.5	96.0	89.4
All commodities other than farm and foods	Dec. 6	127.9	127.8	127.9	128.5

*Revised figure. ¶Includes 978,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of October:			
Manufacturing number	229	218	221
Wholesale number	139	116	106
Retail number	613	604	532
Construction number	231	218	164
Commercial service number	132	113	102
Total number	1,344	1,269	1,125
Manufacturing liabilities	$16,104,000	$23,011,000	$20,980,000
Wholesale liabilities	9,989,000	7,381,000	5,323,000
Retail liabilities	20,894,000	23,080,000	13,050,000
Construction liabilities	17,877,000	14,417,000	7,132,000
Commercial service liabilities	16,644,000	12,715,000	3,891,000
Total liabilities	$81,508,000	$80,604,000	$50,376,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of October	13,760	14,007	14,526
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of Oct. (Millions of dollars):			
Manufacturing	$54,300	$54,300	$51,400
Wholesale	13,500	*13,200	12,800
Retail	25,900	25,000	25,100
Total	$93,700	*$92,500	$89,300
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD — Month of November (000's omitted):			
Total U. S. construction	$1,775,000	$1,796,000	$1,590,000
Private construction	880,000	1,098,000	869,000
Public construction	895,000	698,000	721,000
State and municipal	667,000	601,000	490,000
Federal	228,000	97,000	231,000
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of Oct. 31:			
Total consumer credit	$54,201	$54,128	$49,872
Instalment credit	42,217	42,136	38,421
Automobile	18,055	18,086	16,659
Other consumer goods	10,342	10,255	9,534
Repairs and modernization loans	2,928	2,916	2,653
Personal loans	10,892	10,879	9,575
Noninstallment credit	11,984	11,992	11,451
Single payment loans	4,326	4,376	4,050
Charge accounts	4,563	4,480	4,525
Service credit	3,095	3,136	2,876
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of October:			
Cotton Seed—			
Received at mills (tons)	1,697,900	909,800	1,832,200
Crushed (tons)	760,800	412,900	782,200
Stocks (tons) October 31	1,639,000	701,900	1,937,500
Cake and Meal—			
Stocks (tons) October 31	167,700	137,100	110,800
Produced (tons)	353,500	189,300	361,800
Shipped (tons)	322,900	209,900	348,000
Hulls—			
Stocks (tons) October 31	57,900	35,700	66,800
Produced (bales)	164,600	90,000	172,000
Shipped (tons)	142,400	79,800	148,300
Linters—			
Stocks (bales) October 31	147,800	102,000	184,400
Produced (bales)	226,800	128,600	239,700
Shipped (bales)	81,000	106,300	190,100
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average=100—Month of October:			
Sales (average monthly), unadjusted	150	135	149
Sales (average daily), unadjusted	147	138	141
Sales (average daily), seasonally adjusted	140	136	134
LIFE INSURANCE PURCHASES—INSTITUTE OF LIFE INSURANCE—Month of Oct. (000,000's omitted):			
Ordinary	$4,321	$4,004	$4,320
Industrial	580	550	587
Group	1,164	1,031	1,021
Total	$6,065	$5,585	$5,928
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of November:			
Industrials (125)	3.53	3.66	3.16
Railroads (25)	5.73	6.02	5.09
Utilities (not incl. Amer. Tel. & Tel. (24)	3.75	3.83	4.04
Banks (15)	3.93	4.02	3.57
Insurance (10)	2.97	3.07	2.83
Average (200)	3.60	3.74	3.38
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of October (in billions):			
Total personal income	$409.6	*$408.8	$384.3
Wage and salary receipts, total	275.2	*275.0	258.6
Commodity producing industries	111.1	*111.2	105.6
Manufacturing only	87.3	*87.5	83.5
Distributing industries	72.8	72.7	68.8
Service industries	42.0	*41.9	38.5
Government	49.3	49.2	45.7
Other labor income	11.3	11.2	10.4
Business and professional	36.2	36.1	35.0
Farm	12.1	12.2	10.1
Rental income of persons	12.5	12.5	12.5
Dividends	14.0	14.0	13.8
Personal interest income	27.6	27.5	24.2
Transfer payments	30.0	*29.7	27.4
Less employees' contribution for social insurance	9.3	9.3	7.9
Total nonagricultural income	393.3	*392.4	370.3
RUBBER MANUFACTURING ASSOCIATION INC.—Month of September:			
Passenger & Motorcycle Tires (Number of):			
Shipments	8,484,336	7,824,458	7,856,472
Production	8,157,639	8,061,325	8,808,201
Inventory	22,037,007	22,325,991	19,650,725
Tractor Implement Tires (Number of)—			
Shipments	253,725	235,223	315,745
Production	232,443	241,527	316,131
Inventory	920,540	931,776	854,017
Truck and Bus Tires (Number of)—			
Shipments	1,145,604	1,116,766	1,447,954
Production	1,025,946	1,085,341	1,299,214
Inventory	3,855,514	3,971,602	2,905,918
Passenger, Motorcycle, Truck & Bus Inner-Tubes (Number of)—			
Shipments	2,894,483	3,307,663	3,692,581
Production	3,023,974	3,016,671	4,064,885
Inventory	10,445,733	10,253,694	8,334,261
Tread Rubber (Camelback)—			
Shipments (pounds)	43,432,000	*40,330,000	44,055,000
Production (pounds)	41,365,000	*42,006,000	44,929,000
Inventory (pounds)	24,312,000	*26,847,000	33,502,000

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

ACR Electronics Corp.
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriter**—To be supplied by amendment.

Adler Built Industries, Inc.
Aug. 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For acquisition and development of land and operating capital. **Office**—1201 W. 66th St., Hialeah, Fla. **Underwriter**—H. P. Black & Co., Washington, D. C.

Admiral Benbow Inn, Inc.
Nov. 21, 1960 (letter of notification) a maximum of 44,440 shares of common stock (no par) not to exceed $300,000 to be offered for subscription by holders of common stock on the basis of one new share for each five shares held. **Price**—At-the-market, and a minimum of $6.25 per share. **Proceeds** — For working capital. **Office** — 29 S. Bellevue Boulevard, Memphis, Tenn. **Underwriter** — James N. Reddoch & Co., Memphis, Tenn.

All American Engineering Co.
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each four shares held with rights to expire on Dec. 7. **Price** — To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds** — For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing). **Offering**—Expected in January.

Allen, McFarland & Co.
Sept. 8, 1960 (letter of notification) 120,000 shares of common stock (par 10 cents) and 30,000 shares of common stock (par 10 cents). **Price**—Of 120,000 shares, $2 per share; of 30,000 shares, 75 cents per share. **Proceeds** —To maintain markets in selected securities and for working capital. **Office** — 1120 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Allen, McFarland & Co. **Offering**—Expected in early January.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. Price—$108 per unit. Proceeds—For general corporate purposes. Office—Arlington, Texas. Underwriter —Rauscher, Pierce & Co., Inc., Dallas. Note — This offering has been postponed.

Altamil Corp.
Nov. 30, 1960 filed 251,716 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of large machined structural components and stainless steel sandwich panels for use in military and commercial aircraft and missiles. **Proceeds**—To selling stockholders. **Office**—225 Oregon St., El Segundo, Calif. **Underwriter**—None.

American Consolidated Mfg. Co., Inc.
Sept. 27, 1960 (letter of notification) 39,500 shares of common stock (par 33⅓ cents). **Price** — $5 per share. **Proceeds** — For advertising and promotion and accounts receivable. **Office**—835 N. 19th St., Philadelphia, Pa. **Underwriter**—Martin, Monaghan & Mulhern, Inc., Ardmore, Pa.

• **American Educational Life Insurance Co.**
Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par $1) and 240,000 shares of class B non-voting common stock to be sold in uints, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter** — The last public offering of common was handled by Standard American Securities, Inc., Nashville, Tenn.

American Income Life Insurance Co.
Aug. 26, 1960 filed 90,174 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each 5⅓ shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—5th and Franklin, Waco, Texas. **Underwriters**—Ladenburg, Thalmann & Co. and Lee Higginson Corp., both of New York City (managing). **Note**—This stock is not qualified for sale in New York. Statement effective Nov. 9.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds** —To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Playlands Corp.
Aug. 22, 1960 filed 300,000 shares of common stock. **Price** —$4 per share. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis Co., Inc., New York City. **Offering**—Imminent.

American Recreational Development Corp.
Sept. 7, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds**—For expenses in constructing and operating recreation centers. **Office** — 210 E. Lexington St., Baltimore 2, Md. **Underwriter**—Investment Securities Co. of Maryland, Baltimore, Md.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and im-

Continued on page 113

NEW ISSUE CALENDAR

December 16 (Friday)

Pall Corp. ____ Class A
(L. F. Rothschild & Co.) 80,000 shares

December 19 (Monday)

Arway Manufacturing Corp. ____ Common
(Stern, Zeiff & Co., Inc.) $240,000
Baruch (R.) & Co. ____ Common
(R. Baruch & Co.) $200,000
Brooks (James) & Co. Inc. ____ Units
(Lloyd Haas & Co.) $450,000)
Davos, Inc. ____ Common
(B. G. Harris & Co. Inc.) $250,000
Long Island Plastics Corp. ____ Common
(The James Co.) $300,000
Mortgage Guaranty Insurance Corp. ____ Common
(Bache & Co.) 155,000 shares
New Canaan Co. ____ Units
(Gidden, Morris & Co., Inc.) $202,000
Pathe Equipment Co., Inc. ____ Class A
(Amos Treat & Co., Inc.) $625,000
Patrician Paper Co., Inc. ____ Units
(Hill, Darlington & Grimm) 8,000 units
Polysonics, Inc. ____ Common
(M. H. Meyerson & Co., Ltd.; Karen Securities Corp. and Selected Investors) $210,000
Resisto Chemical, Inc. ____ Common
(Amos Treat & Co., Inc.) $500,000
Stancil-Hoffman Corp. ____ Capital
(Pacific Coast Securities Co.) $300,000
Tele-Tronics Co. ____ Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000
United States Shell Homes, Inc. ____ Units
(Hayden, Stone & Co.) 25,000 units
Vector Industries, Inc. ____ Common
(Plymouth Securities Corp.) $300,000
Westminster Fund, Inc. ____ Capital
(Kidder, Peabody & Co.) 4,000,000 shares

December 20 (Tuesday)

Speedry Chemical Products, Inc. ____ Debentures
(S. D. Fuller & Co.) $2,000,000
Speedry Chemical Products, Inc. ____ Common
(S. D. Fuller & Co.) 60,000 shares
United Gas Corp. ____ Common
(Bids to be received) 161,573 shares

December 21 (Wednesday)

California-Pacific Utilities Co. ____ Common
(Eastman Dillon, Union Securities & Co.) 57,986 shares)
Geotechnics & Resources, Inc. ____ Capital
(S. D. Fuller & Co.) $299,600
Ritter Co., Inc. ____ Debentures
(Lehman Brothers) $4,500,000

December 23 (Friday)

Drexel Equity Fund, Inc. ____ Common
(Drexel & Co.) $5,100,000
International Mosaic Corp. ____ Common
(B. G. Harris & Co., Inc.) $279,999

December 27 (Tuesday)

Chemtronic Corp. ____ Common
(Jay W. Kaufman & Co.) $400,000
Coral Aggregates Corp. ____ Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000
Palm Developers Limited ____ Common
(David Barnes & Co., Inc.) $300,000
Telephone & Electronics Corp. ____ Common
(Equity Securities Co.) $264,900
Willer Color Television System, Inc. ____ Common
(Equity Securities Co.) $242,670

December 28 (Wednesday)

Chematomics, Inc. ____ Common
(East Coast Investors Co.) $564,900
School Pictures, Inc. ____ Common
(Equitable Securities Corp. and Kroeze, McLarty & Co.) 100,000 shares

December 29 (Thursday)

Does-More Products Corp. ____ Common
(H. L. Wright & Co., Inc.) $300,000

December 30 (Friday)

Circle Controls Corp. ____ Common
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000

January 3 (Tuesday)

Rohm & Haas Co. ____ Common
(Drexel & Co. and Kidder, Peabody & Co.) 9,000 shares

January 4 (Wednesday)

Bowl-Mor Co., Inc. ____ Common
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) 78,955 shares

Chicago, Burlington & Quincy RR. ____ Equip. Tr. Ctfs.
(Bids to be received) $8,550,000
National Aeronautical Corp. ____ Common
(White, Weld & Co.; Yarnall, Biddle & Co. and Stroud & Co., Inc.) 60,000 shares

January 5 (Thursday)

Statmaster Corp. ____ Units
(Blaha & Co., Inc.) $250,000

January 9 (Monday)

Bell Electronic Corp. ____ Common
(Schwabacher & Co.) 136,000 shares

January 10 (Tuesday)

Missouri Pacific RR. ____ Equip. Trust Ctfs.
(Bids to be received) $3,210,000
Pocket Books, Inc. ____ Common
(White, Weld & Co. and Goldman Sachs & Co. 600,000 shares

January 11 (Wednesday)

Brunswick Corp. ____ Debentures
(Offering to stockholders—underwritten by Lehman Brothers and Goldman, Sachs & Co.) $25,634,400
Iowa Power & Light Co. ____ Bonds
(Bids 10:00 a.m. CST) $10,000,000
Pacific Gas Transmission Co. ____ Debentures
(Offering to stockholders—no underwriting) $13,260,000
Peerless Tube Co. ____ Capital
(Winslow, Cohu & Stetson, Inc.) 150,000 shares
Southern Pacific Co. ____ Equip. Trust Ctfs.
(Bids noon EST) $8,400,000

January 16 (Monday)

Canaveral International Corp. ____ Common
(S. Schramm & Co., Inc.) 300,000 shares
Datamation, Inc. ____ Common
(Berner Bros. and Earl Edden Co.) $160,000
Freoplex, Inc. ____ Common
(Alessandrini & Co., Inc.) $300,000
Screen Gems, Inc. ____ Common
(Offering to stockholders—underwritten by Hemphill, Noyes & Co. and Hallgarten & Co.) 300,000 shares

January 17 (Tuesday)

Gulf States Utilities Co. ____ Common
(Bids to be received) $11,500,000
Kansas Gas & Electric Co. ____ Bonds
(Bids 11:00 a.m. EST) $7,000,000
Security National Bank of Long Island ____ Common
(Offering to stockholders—underwritten by Bache & Co.) 97,371 shares

January 18 (Wednesday)

Bowl-Mor Co., Inc. ____ Debentures
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) $2,000,000
New York Central RR. ____ Equip. Trust Ctfs.
Bids Noon (EST) $4,125,000

January 23 (Monday)

General Bowling Corp. ____ Common
(H. S. Simmons & Co., Inc. and McMahon, Lichtenfeld & Co.) $1,000,000
Jouet, Inc. ____ Common
(Edward H. Stern & Co.) $300,000

January 24 (Tuesday)

Otter Tail Power Co. ____ Bonds
(Bids to be received) $6,000,000 to $8,000,000
Texas Power & Light Co. ____ Bonds
(Bids 11:30 a. m. EST) $12,000,000

February 1 (Wednesday)

Toledo Plaza Investment Trust ____ Beneficial Tr. Ctfs.
(Hodgdon & Co., Inc.) $522,500

February 7 (Tuesday)

Consolidated Natural Gas Co. ____ Debentures
(Bids to be received) $45,000,000
Lake Superior District Power Co. ____ Bonds
(Bids to be invited) $30,000,000

February 15 (Wednesday)

Chesapeake & Potomac Telephone Co. ____ Bonds
(Bids 2:30 p.m. EST) $20,000,000
Dodge Wire Corp. ____ Common
(Plymouth Securities Corp.) $600,000
Radar Measurements Corp. ____ Common
(Blaha & Co., Inc.) $299,950

March 15 (Wednesday)

Rochester Gas & Electric Corp. ____ Bonds
(Bids to be received) $15,000,000

June 13 (Tuesday)

Virginia Electric & Power Co. ____ Bonds
(Bids to be received) $30,000,000 to $35,000,000

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prove properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

● Americana Properties, Inc.
Oct. 27, 1960 filed 100,000 shares of common stock. Price—$6 per share. **Business**—The operation of shopping areas and bowling establishments in Long Island, N. Y. **Proceeds**—For debt reduction and construction of stores and a bowling facility. **Office** — 855 Montauk Highway, Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., New York City. **Offering**—Expected in late January.

Ampal-American Israel Corp.
Oct. 25, 1960 filed $5,000,000 of 7-year series I 6% sinking fund debentures. **Price**—At par. **Proceeds**—For various business enterprises in Israel. **Office**—17 East 71st Street, New York City. **Underwriter**—None.

Anelex Corp.
Nov. 25, 1960 filed 65,000 shares of common stock, of which 55,000 are subject to purchase on exercise of warrants and 10,000 were issued to Putnam & Co., Hartford, Conn. **Price**—The 55,000 shares are issuable on exercise of warrants at from $16 to $17.50 a share. The 10,000 shares are owned by Anderson-Nichols & Co., and are subject to purchase under options by three individuals at $7.50 a share. **Business**—The design, development and manufacture of high speed printers and high speed paper tape readers for use with computers and electronic data processing systems. **Proceeds**—To working capital. **Office** — 150 Causeway St., Boston, Mass. **Underwriter**—None.

Apache Corp.
Oct. 26, 1960 filed $4,000,000 of 6% convertible subordinated debentures, due Dec. 1, 1975. **Price** — At par. **Business**—Management of long-term risk capital investments in gas, oil, and real estate ventures, and also in mutual funds. **Proceeds**—For debt reduction, working capital, and to buy a small oil producing company. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriters**—Paine, Webber, Jackson & Curtis, New York City and Piper, Jaffray & Hopwood, Minneapolis, Minn. **Offering**—Expected in late December.

● Arway Manufacturing Corp. (12/19-23)
Nov. 15, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price** — $2 per share. **Business** — Manufacturers of plastic table cloths, mats, and trays. **Proceeds**—For general corporate purposes. **Office** — 1041 Utica Avenue, Brooklyn, N. Y. **Underwriter**—Stern, Zeiff & Co., Inc., New York, N. Y.

Associated Oil & Gas Co.
Nov. 23, 1960 filed 107,317 shares of outstanding capital stock. **Price**—At the market. **Business**—The acquisition, exploration and production of oil and gas. **Proceeds**—To selling stockholders. **Office**—1410 Bank of the Southwest Bldg., Houston, Texas. **Underwriter**—None.

Associated Traffic Clubs Insurance Corp.
Dec. 5, 1960, filed 250,000 shares of common stock (par 80c), to be sold to the Associated Traffic Clubs of America and their members. **Price**—$2 per share. **Business**—Provides insurance coverage to the members of the above club. **Proceeds**—To be added to surplus to maintain it at the amount required by law and to carry on and further develop the business of the company. **Office**—900 Market St., Wilmington, Del. **Underwriter**—A. T. Brod & Co., New York, N. Y.

● Avery Adhesive Products, Inc.
Nov. 18, 1960 filed 250,000 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the company, and 150,000 outstanding shares are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture of pressure-sensitive labels. **Proceeds**—Approximately $1,080,000 will be used to redeem the outstanding 5% preferred stock, and the balance will be for working capital. **Office**—2540 Huntington Drive, San Marino, Calif. **Underwriters**—Kidder, Peabody & Co., New York City, and Wagenseller & Durst, Inc., Los Angeles, Calif. **Offering**—Expected in late January.

Avionics Investing Corp.
July 12, 1960 filed 250,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City. **Offering**—Temporarily postponed.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

● Banner Industries Inc.
Dec. 6, 1960 filed 250,000 shares of common stock (par 10c) 125,000 warrants for the purchase of a like number of common shares and 125,000 common shares underlying the warrants. Offering will be made in units, each unit to consist of two shares of common stock and one warrant for the purchase of one share at $6 per share to May 1, 1962. **Price**—$10 per unit. **Proceeds**—$200,000 will be used to expand the company's imports from Europe and Japan and the balance will be used for additional working capital. **Office**—1311 South 39th St., St. Louis, Mo. **Underwriter**—Netherlands Securities Co., Inc., New York City.

● Baruch (R.) & Co. (12/19-23)
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 75 cents). **Price** — $2 per share. **Business**—The issuer is a broker-dealer with the SEC, and a member of the NASD. **Proceeds**—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—Same.

Bell Electronic Corp. (1/9)
Oct. 12, 1960 filed 136,000 shares of common stock, of which 86,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company, which was organized in May 1959, is a distributor of electronic parts and equipment manufactured by others. **Proceeds**—For inventory and to carry accounts receivable. **Office**—306 E. Alondra Blvd., Gardena, Calif. **Underwriter** — Schwabacher & Co., San Francisco, Calif.

Bonneville Manufacturing Co.
Oct. 24, 1960 (letter of notification) 32,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Proceeds**—For lease of a building and operating capital. **Office**—10915 N. Burgard, Portland, Ore. **Underwriter**—Auld & Co., Portland, Oreg.

Bowling & Construction Corp.
Nov. 28, 1960 filed 120,000 shares of class A common stock. **Price**—$5 per share. **Business**—The building, leasing and operation of bowling centers. **Proceeds** — For working capital. **Office**—26 Broadway, New York, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., New York City (managing).

● Bowl-Mor Co., Inc. (1/18)
Oct. 28, 1960 filed $2,000,000 of 6% convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office** — Newtown Road, Littleton, Mass. **Underwriters**—Paine, Webber, Jackson & Curtis and Granbery, Marache & Co., both of New York City (managing).

● Bowl-Mor Co., Inc. (1/4)
Oct. 25, 1960 filed 78,955 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company manufactures pin - sitting machines for various types of bowling games. **Proceeds**—For working capital and for costs of the company's entry into the "tenpin" bowling field. **Office** — Newton Road, Littleton, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis, and Granbery, Marache & Co., both of New York City (managing).

Bradford Pools, Inc.
Oct. 24, 1960 filed 160,000 shares of class A common stock, with stock purchase warrants attached, to be offered in units consisting of five shares of stock and one warrant. **Price**—$10 per unit. **Business**—The construction, sale, and installation of pools in New Jersey and neighboring states. **Proceeds**—For general corporate purposes, including working capital. **Office** — 245 Nassau St., Princeton, N. J. **Underwriter**—R. A. Holman & Co., Inc., New York City. **Offering**—Expected in late December.

● Brooks (James) & Co., Inc. (12/19)
Oct. 24, 1960 filed $400,000 of 12% subordinated debentures, due 1980, 50,000 shares of common stock, and warrants for the purchase of 50,000 common shares, to be offered in units consisting of $400 of debentures, 50 common shares, and warrants for the cash purchase of 50 shares. **Price**—$450 per unit. **Business**—The retail sale in two Bronx, N. Y., stores of furniture, appliances, cameras, photo supplies, and related items. **Proceeds**—To reduce accounts payable to factors, with the balance for working capital. **Office**—542 E. 138th Street, New York City. **Underwriter**—Lloyd Haas & Co., New York City.

● Brothers Chemical Co. (12/15)
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriter**—Sandkuhl & Company, Inc., Newark, N. J. and New York City. **Offering**—Imminent.

● Brunswick Corp. (1/11)
Dec. 5, 1960 filed $25,634,400 of convertible subordinated debentures, due Jan. 1, 1981, to be offered to holders of the outstanding common stock of record Jan. 11, on the basis of $100 of debentures for each 65 shares then held with rights to expire on Jan. 25. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of bowling products. **Proceeds**—For general corporate purposes, primarily for foreign investments and increased inventory. **Office**—623 S. Wabash Ave., Chicago, Ill. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co. (managing).

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

California-Pacific Utilities Co. (12/21)
Nov. 21, 1960 filed 57,986 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—550 California St., San Francisco, Calif. **Underwriter** — Eastman Dillon, Union Securities & Co., New York, N. Y.

Campbell Chibougamau Mines, Ltd.
Oct. 14, 1960 filed 305,392 shares of common stock to be offered to warrant holders. **Price**—$4 per share. **Business**—The company owns and works mining properties. **Proceeds**—For general funds of the company. **Office**—55 Yonge St., Toronto, Canada. **Underwriter**—None.

● Canaveral International Corp. (1/16-20)
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter** — S. Schramm & Co., Inc., New York City.

Caribbean American Corp.
Sept. 14, 1960 filed 459,500 shares of capital stock. **Price**—$2 per share. **Business**—Caribbean real estate. **Proceeds** — For general corporate purposes. **Office** — 615 Robinson Bldg., 15th & Chestnut Sts., Philadelphia, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia, Pa. **Note**—This statement was effective Nov. 16.

Caribbean & Southeastern Development Corp.
Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

Century Acceptance Corp.
Sept. 29, 1960 filed $1,000,000 of 6½% junior subordinated debentures, due 1975, with five-year warrants for the purchase of 80,000 shares of regular common shares. The debentures are to be offered at par, and in units of one $500 debenture with warrants for 40 shares. **Proceeds**—For working capital and general corporate purposes. **Office**—1334 Oak Street, Kansas City, Mo. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing). **Offering**—Expected in December.

● Chematomics, Inc. (12/28)
Nov. 2, 1960 filed 188,300 shares of common stock, of which 175,000 shares are to be offered for public sale, and the remaining 13,300 shares, being outstanding are to be offered for the account of selling stockholders, subsequent to the sale of the new shares. **Price**—$3 per share. **Business**—The company which was organized in February 1960, is engaged in the development, production and distribution of heat-resistant synthetic resins. **Proceeds** — For new equipment, promotion, inventory, working capital and research and development. **Office**—122 East 42nd Street, New York City, **Underwriter**—East Coast Investors Co., New York City.

● Chemtronic Corp. (12/27)
Sept. 2, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company makes and sells miniature electrolytic capacitors. **Proceeds**—For general corporate purposes, including the repayment of bank loans and the addition of technical personnel. **Office**—309 11th Ave., South, Nashville, Tenn. **Underwriter**—Jay W. Kaufmann & Co., New York City. **Note**—This statement was effective Dec. 13.

★ Chisholm Ski Club, Inc.
Dec. 5, 1960 (letter of notification) 10,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Address**—Rumford, Maine. **Underwriter**—None.

Circle Controls Corp. (12/30)
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Click Chemical Corp.
Nov. 3, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of household chemicals. **Proceeds**—To go to a selling stockholder. **Office**—601 S. Columbus Ave., Mt. Vernon, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York, N. Y.

Coastal Acceptance Corp.
Oct. 3, 1960 (letter of notification) $100,000 of 10-year 7% registered series notes, to be offered in denominations of $100 to $1,000 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—36 Lowell St., Manchester, N. H. **Underwriter** — Shontell & Varick, Manchester, N. H.

Coburn Credit Co., Inc.
Nov. 18, 1960 filed 50,000 shares of common stock (par value $1). **Price**—$4 per share. **Business**—Consumer sales finance business. **Proceeds**—For general corporate purposes. **Office**—53 N. Park Avenue, Rockville Centre, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc., New York, N. Y. **Offering**—Expected in early January.

Colwell Co.
Nov. 18, 1960 filed $1,000,000 of 6½% subordinated sinking fund debentures, due 1976, each $1,000 debenture to have an attached warrant for the purchase of 50 shares of common stock. Also filed were 60,000 shares of common stock, of which 50,000 shares are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—Originating and servicing loans secured by mortgages on real property. **Proceeds**—For working capital. **Office**—5856 Wilshire Boulevard, Los Angeles, Calif. **Underwriter** — Mitchum,

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Jones & Templeton, Los Angeles, Calif. and J. A. Hogle & Co., Salt Lake City, Utah.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

★ Consolidated Circuit Corp.
Dec. 1, 1960 (letter of notification) 125,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—To retire a bank loan and for working capital. **Office** — 837 E. Orangethorpe, Anaheim, Calif. **Underwriter**—Russell & Saxe, Inc., New York, N. Y.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Consumers Cooperative Association
Oct. 25, 1960 filed $8,000,000 of 5½%, 25-year subordinated certificates of indebtedness, 320,000 shares of 5½% preferred stock, 40,000 shares of 4% second preferred stock, and 1,000 shares of common stock. **Prices**—For the certificates of indebtedness, 100% of principal amount, and for the common stock and both classes of the preferred stock, $25 per share. **Business**—The association is a cooperative wholesale purchasing and manufacturing association and functions as a supply source for local farmers' cooperative associations in several mid-Western States. **Proceeds** — For facility expansion and improvement, with $1,739,600 to be used for the retirement of maturing certificates of indebtedness and redemption prior to maturity of such certificates and the 5½% preferred stock. **Office**—3315 N. Oak Trafficway, Kansas City, Mo. **Underwriter**—None.

Continental Investment Corp.
Nov. 10, 1960 filed 100,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business** — Purchasing retail instalment sales contracts and making direct loans secured by personal property. **Proceeds** — To go to selling stockholders. **Office** — 120 S. Third St., Memphis, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville, Tenn. (managing).

Coral Aggregates Corp. (12/27)
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa.

● Cove Vitamin & Pharmaceutical Inc.
Sept. 30, 1960 filed 108,000 shares of common stock (par 50 cents), and five-year warrants for the purchase of an additional 54,000 shares of common stock to be offered in units, each unit to consist of two shares and a warrant for the purchase of one share. **Price** — To be supplied by amendment. **Business**—Mail order marketing of vitamins through department stores. **Proceeds** — To implement the company's merchandising plan and for working capital. **Office**—26 The Place, Glen Cove, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York, N. Y. **Offering**—Expected in early January.

Cowles Chemical Co.
Nov. 29, 1960 filed $2,500,000 of convertible subordinated debentures, due Dec. 31, 1980. **Price**—To be supplied by amendment. **Business**—The production and distribution of high purity chemicals for industrial use, primarily by laundries. **Proceeds** — For expansion and construction. **Office**—Cleveland, Ohio. **Underwriters**—Shearson, Hammill & Co., New York City and Gunn, Carey & Roulston, Inc., Cleveland, Ohio (managing). **Offering**—Expected in mid-January.

Crumpton Builders, Inc.
Nov. 17, 1960 filed 750,000 shares of common stock, $1,500,000 of 9% convertible debentures due Jan. 10, 1981, and warrants, to be offered in units, each unit to consist of five shares of common stock, one debenture and one warrant. **Price**—To be supplied by amendment. **Business**—The construction of owner completed ("shell") homes. **Proceeds**—To increase mortgage notes receivable and the balance for general corporate purposes. **Office** — 2915 West Hillsborough Ave., Tampa, Fla. **Underwriter** — Courts & Co., Atlanta, Ga. and New York City. **Offering**—Sometime in January.

Daffin Corp.
Aug. 22, 1960, filed 150,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To selling stockholders. **Office**—Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing). **Offering**—Indefinitely postponed.

Dalto Corp.
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

Datamation, Inc. (1/16-20)
Nov. 30, 1960 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The processing of paper work on a service basis for business organizations to provide them with the cost-cutting and time-saving benefits of electronics. **Proceeds**—For general corporate purposes. **Office** — 100 S. Van Brunt St., Englewood, N. J. **Underwriter**—Bertner Bros. and Earl Edden Co., New York City.

Davos, Inc. (12/19-23)
Oct. 26, 1960 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—Preparation of a ski lift for the current season, redemption of notes payable and for development and improvement of property. **Office** — Woodridge, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price**—$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

Diketan Laboratories, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory, purchase new equipment, for research and new product development and working capital. **Office** — 9201 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif.

★ Dodge Wire Corp. (2/15)
Dec. 7, 1960, filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

● Does-More Products Corp. (12/29)
Oct. 12, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds** — To pay notes payable, purchase inventory, for purchase of die and equipment and additional working capital. **Office**—201 W. Semmes St., Osceola, Ark. **Underwriter** — H. L. Wright & Co., Inc., New York, N. Y.

● Drexel Equity Fund, Inc. (12/23)
Oct. 25, 1960 filed 500,000 shares of common stock (par 10 cents). **Price**—$10.20 per share. **Business**—This is a new mutual fund, organized as a closed-end fund on Oct. 19, which will become open-end pursuant to the public sale of these shares. **Proceeds**—For portfolio investment. **Office**—1500 Walnut Street, Philadelphia, Pa. **Distributor and Investment Adviser**—Drexel & Co., Philadelphia, Pa.

Durlan, Inc.
Oct. 24, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For promotion, advertising, purchase of equipment and working capital. **Address**—Blooming Glen, Pa. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia, Pa. **Offering**—Imminent.

Eastern Bowling Corp.
Nov. 29, 1960 filed 150,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The acquisition, establishment and operation of bowling centers. **Proceeds**—For general business purposes. **Office**—99 West Main St., New Britain, Conn. **Underwriter**—Schirmer, Atherton & Co., Boston (managing).

Echlin Manufacturing Co.
Nov. 21, 1960 (letter of notification) an undetermined number of shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Address**—Branford, Conn. **Underwriter**—Blair & Co., Inc., Chicago, Ill.

Edlund Engineered Products, Inc.
Nov. 25, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For plant improvements, purchase of new equipment, retirement of a short term loan and for working capital. **Office**—350 N. E. 75th St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., New York, N. Y. **Offering**—Expected in mid-January.

Edwards Industries, Inc.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price**—$4.50 per share. **Proceeds** — For land, financing of homes, and working capital relating to such activities. **Office**—Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City (managing). **Offering**—Expected in late December or early January.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

● Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriter** — Bateman, Eichler & Co. of Los Angeles, Calif. **Note**—This statement was withdrawn.

Electronic Tube Corp.
Nov. 28, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cathode ray tubes and associated electronic products. **Proceeds**—The acquisition of equipment; initiation of production; repayment of existing indebtedness and for working capital. **Office**—1200 E. Mermaid Lane, Philadelphia, Pa. **Underwriter**—Harrison & Co., Philadelphia, Pa. (managing).

Elion Instruments, Inc.
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. **Offering**—Expected in late January-to-early February.

★ Emerson Electric Manufacturing Co.
Dec. 13, 1960 filed 54,033 outstanding common shares. **Price**—To be supplied by amendment. **Proceeds**—To the selling stockholder (Klingbill Real Estate Co.). **Office**—St. Louis, Mo. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York and Scherck, Richter Co., St. Louis, Mo. (managing).

Falls Plaza Limited Partnership
Dec. 5, 1960 filed 480 units of limited partnership interests. **Price**—$1,000 per unit. **Business**—The building and operation of a shopping center on Broad Street in Falls Church, Va. **Proceeds**—For the purchase of land and the erection of a shopping center. **Office** — 1823 Jefferson Place, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., and Investor Service Securities Inc., both of Washington, D. C.

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

Florida Suncoast Land & Mining Co.
Sept. 30, 1960 filed 1,050,000 shares of common stock, of which 330,000 shares are to be offered in exchange for certain lands and assets, and the balance will be for public sale. **Price**—To be supplied by amendment. **Proceeds** — For the acquisition and development of land, mining operations and equipment, and the balance for working capital. **Office**—Tarpon Springs, Fla. **Underwriter**—None.

Foremost Industries, Inc.
Oct. 14, 1960 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Business**—Manufacturers of stainless steel food service equipment used by department, drug and variety chain stores, and institutions. **Proceeds**—For expansion; to repay a loan; advertising, sales and promotion; for working capital and general corporate purposes. **Office**—250 W. 57th St., New York, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York, N. Y.

Freeplex, Inc. (1/16-20)
Nov. 25, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The sale and servicing of home food freezers; the sale of bulk food supplies for freezer use and the operation of a retail super market. **Proceeds** — For general corporate purposes. **Address**—Route 18, Tices Lane, East Brunswick, N. J. **Underwriter**—Alessandrini & Co., Inc., New York City.

Gala Industries, Inc.
Oct. 25, 1960 (letter of notification) 16,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds** — For equipment, advertising and sales, working capital, research and development. **Address** — Clifton Forge, Va. **Underwriter**—Storer Ware & Co., Roanoke, Va.

Garsite Corp.
Oct. 12, 1960 filed 100,000 shares of common stock. **Price**—$3 per share. **Business**—A hydrant jet fueling company. **Proceeds**—Expansion. **Office**—Seaford, L. I., N. Y. **Underwriter**—Theodore Arrin & Co., Inc., 82 Beaver St., New York City.

(Connie B.) Gay Broadcasting Corp.
Sept. 9, 1960 filed 130,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries own and operate radio and television stations. **Proceeds**—For the acquisition of a television station and two radio stations in Missouri. **Office** — 4000 Albemarle St., N. W., Washington, D. C. **Underwriter**—Hill, Darlington & Grimm, New York City (managing). **Note**—This statement was withdrawn on Nov. 17.

General Bowling Corp. (1/23-27)
Nov. 17, 1960 filed 250,000 shares of common stock (par 10¢). **Price**—$4 per share. **Business**—The issuer owns two bowling establishments, and a tract of land in Indiana County, Pa., on which it hopes to build a third. **Proceeds**—To equip the prospective establishment ($150,000), to repay a bank loan ($50,000), to add eight lanes to a bowling facility ($50,000), and the balance will be used for working capital. **Office**—2 Park Avenue, Manhasset, L. I., N. Y. **Underwriters**—H. S. Simmons & Co., Inc., and McMahon, Lichtenfeld & Co., both of New York City.

General Development Investment Plans, Inc.
Oct. 6, 1960 filed 1,285 of Investment Plans. **Price**—To be offered for public sale with sales commissions ranging from 8% to 10%, depending upon the type of mortgage financing involved. **Proceeds**—For investment in Port St. Lucie Country Club homes, on the east coast of Florida. **Business**—The company is a wholly-owned subsidiary of General Development Corp., whose principal business is the development of large tracts of land into planned communities. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—None.

Genie Petroleum, Inc.
Nov. 10, 1960 filed 838,718 shares of common stock. **Price**—$1 per share. **Business**—Development of oil properties. **Proceeds**—For general corporate purposes. **Office**—5245 W. Irving Park Road, Chicago, Ill. **Underwriter**—The issuer intends to become a licensed broker-dealer in the states in which this offering is to be made, and to offer 338,718 of the shares through its officers and employees. The remaining 500,000 shares will be offered through other licensed broker-dealers on a "best efforts" basis.

Geochron Laboratories, Inc.
Nov. 29, 1960 filed 150,000 shares of common stock. Also filed were 30,000 common shares underlying 6% convertible notes and 60,000 warrants to purchase a like number of common shares. **Price**—To be supplied by amendment. **Business**—The operation of a laboratory at Cambridge, Mass., to furnish on a commercial basis, determinations of the age of rock and mineral samples. **Proceeds** — For construction, equipment, and working capital. **Office** — 24 Blackstone St., Cambridge, Mass. **Underwriter**—Globus, Inc. and Ross, Lyon & Co., both of New York City.

Geotechnics & Resources, Inc. (12/21-25)
Nov. 25, 1960 (letter of notification) 149,800 shares of capital stock (par 25 cents). **Price**—$2 per share. **Business**—Scientific research and development. **Proceeds**—For general corporate purposes. **Office** — Westchester County Airport, White Plains, N. Y. **Underwriter**—S. D. Fuller & Co., New York, N. Y.

Glamour Vending Corp.
Nov. 25, 1960 (letter of notification) 140,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—To purchase vending machines, for inventory and for working capital. **Office**—1212 Tower Bldg., Denver, Colo. **Underwriter**—J. R. Holt & Co., Denver, Colo.

Gold Medal Packing Corp.
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

● Golden Crest Records, Inc.
Oct. 25, 1960 filed 85,000 shares of 10c par class A common stock. **Price**—$3 per share. **Proceeds**—The firm will use the proceeds of its first public offering for working capital and general corporate purposes. **Office**—Huntington, L. I., N. Y. **Underwriter**—Dean Samitas & Co., Inc., 111 Broadway, New York City and Valley Forge Securities Co., Inc., Philadelphia, Pa. (jointly). **Note**—This filing was withdrawn Nov. 16 and will be refiled imminently. **Offering**—Expected in late January.

Great American Industries, Inc.
Nov. 10, 1960 filed 500,000 shares of outstanding common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To go to selling stockholders. **Office**—485 Fifth Ave., New York, N. Y. **Underwriter**—J. G. White & Co., Inc., New York, N. Y.

Guild Musical Instrument Corp.
Oct. 25, 1960 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City. **Offering**—Expected in late January.

Gulf Guaranty Land & Title Co.
Nov. 29, 1960 filed $750,000 of 7% convertible subordinated debentures, due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of $100 of debentures and 20 shares of common stock. **Price**—$200 per unit. **Business** — The development of a planned community in Cape Coral, Fla. **Proceeds**—To reduce indebtedness, repay a mortgage, construction, and general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Street & Co., New York City.

Gulf States Utilities Co. (1/17)
Nov. 29, 1960 filed 350,000 shares of common stock. **Proceeds**—To repay short-term notes, for construction, and general corporate purposes. **Office**—Beaumont, Tex. **Underwriter**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers; Glore, Forgan & Co.; Lee Higginson Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected Jan. 17, 1961. **Information Meeting**—Scheduled for Jan. 12 at 11:00 a.m. at the Hanover Bank, New York City.

Heinicke Instruments Co.
Nov. 10, 1960 filed 67,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The company, together with its subsidiaries, makes stainless steel pumps for its own use and sale to others, and designs and manufactures high frequency cleaning equipment used in the cleaning and sterilization of glassware. **Proceeds**—To reduce by $300,000 the issuer's note in the amount of $470,000 payable to its president, Dr. Kurt J. Heinicke, with the balance for plant and equipment and other general corporate purposes. **Office**—2035 Harding St., Hollywood, Fla. **Underwriter** — Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

Heller, (Walter E.) & Co.
Oct. 24, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—About $1,000,000 to purchase preferred stock of Nationwide Investment Co., about $1,000,000 to purchase securities of an as yet unorganized firm tentatively named "Credit Acceptance Co.," and the remainder for general corporate purposes. **Office**—105 West Adams St., Chicago, Ill. **Underwriters** — F. Eberstadt & Co. and Dean Witter & Co., both of New York City (managing). **Offering**—Expected in late December to early January.

Home Builders Acceptance Corp.
July 15, 1960 filed 1,000,000 shares of common stock (par 50c). **Price**—$1 per share. **Business**—The company is engaged in real estate financing and lending. **Proceeds**—For general corporate purposes. **Office** — 409 N. Nevada, Colorado Springs, Colo. **Underwriter**—None.

Howell Instruments Inc.
Oct. 4, 1960 filed 140,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Address** — Fort Worth, Texas **Underwriters**—G. H. Walker & Co., New York, N. Y. and Dewar, Robertson & Pancoast, San Antonio, Tex. **Offering**—Indefinitely postponed.

Hydro-Electronics Corp.
Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The design and manufacture of precision measuring equipment, automation equipment and general precision fluid controls. **Proceeds** — For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter**—Lloyd Securities, New York, N. Y.

Hydromatics, Inc.
Nov. 25, 1960 filed $1,000,000 of debentures, due Jan. 1, 1971 with warrants for the purchase of common stock to be offered in units, each unit to consist of a $1,000 debenture and one warrant; and 20,000 outstanding common shares. **Price**—To be supplied by amendment. **Business**—The designing, manufacturing and selling of ball valves. **Proceeds**—To retire bank loans, purchase additional equipment and for working capital. **Office** — 5 Lawrence St., Bloomfield, N. J. **Underwriters** — Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day, both of New York (managing).

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo

Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York and Bruno Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected in February.

Industrial Control Products, Inc.
Nov. 1, 1960 filed 125,000 shares of 10¢ par class A stock. **Price**—$4 per share. **Business**—The design and manufacture of control systems and subcontracted precision machining. The firm has recently begun to make double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. **Proceeds**—For expenses of semi-conductor production, research and development, advertising and selling, inventory, and general funds. **Office**—78 Clinton Road, Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., 99 Wall Street, New York 5, N. Y. (managing). **Offering**—Expected in mid-January.

Industrial Leasing Corp.
Nov. 25, 1960 (letter of notification) 1,000 shares of common stock (par $5). **Price**—$45 per share. **Proceeds**—To go to selling stockholders. **Office**—515 S. Aiken Ave., Pittsburgh, Pa. **Underwriter** — McKelvy & Co., Pittsburgh, Pa.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

International Electronic Research Corp.
Dec. 1, 1960 filed 220,000 shares of common stock, of which 110,000 shares will be sold by the company and 110,000 shares for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—Produces a heat dissipating tube shield for electron tubes, precision AC instruments, and does subcontract work in the aircraft and rocket engine industry. **Proceeds**—To repay outstanding loans and increase working capital. **Office**—135 West Magnolia Blvd., Burbank, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. and New York City (managing).

International Mosaic Corp. (12/23)
Sept. 30, 1960 (letter of notification) 93,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

★ Invesco Collateral Corp.
Dec. 8, 1960, filed $300,000 of 6% registered debentures, series due June 30, 1964; $300,000 of 6% registered debentures, series due June 30, 1965, and $300,000 of 6% registered debentures, series due June 30, 1966. **Price**—To be offered for sale in $5000 units at $4,450 per unit for the 1964 debentures, at $4,315 per unit for the 1965 debentures and at $4,190 per unit for the 1966 debentures. **Business**—The purchasing, investing in and selling of real estate mortgages. However, the company may buy, invest in and sell other types of securities. **Office**—511 Fifth Ave., New York, N. Y. **Underwriter**—None. **Note**—This company is a wholly owned subsidiary of Investors Funding Corp. **Offering** — Expected about the middle of February.

Investors Preferred Life Insurance Co.
Sept. 26, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For capital and surplus accounts. **Office**—522 Cross St., Little Rock, Ark. **Underwriter** — Life Securities, Inc., P. O. Box 3662, Little Rock, Ark.

Iowa Power & Light Co. (1/11)
Nov. 7, 1960 filed $10,000,000 of first mortgage bonds, due 1991. **Price**—To be supplied by amendment. **Proceeds**—To reduce past and future bank loans incurred for construction, the aggregate cost of which is estimated at $20,500,000 for 1960-1961. **Office**—823 Walnut Street, Des Moines, Iowa. **Underwriter**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Equitable Securities Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc., Lehman Brothers; Eastman Dillon, Union Securities & Co.; Blyth & Co. and Kidder, Peabody & Co. **Bids**—Expected to be received on Jan. 11 up to 10:00 a.m. (CST) at the Assembly Room, 8th floor, Harris Bank Bldg., 111 W. Monroe St., Chicago, Ill.

Irving Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 400,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad St., New York City.

Israel Development Corp.
Nov. 21, 1960 filed $3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of $500, $1,000 and $5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None.

● Jonker Business Machines, Inc.
Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter** — Hodgdon & Co., Inc., Washington, D. C. **Offering**—Expected in January.

Jouet, Inc. (1/23-27)
Nov. 28, 1960 (letter of notification) 300,000 shares of common stock (par five cents). **Price** — $1 per share. **Business** — The manufacture of dolls, toys and similar items. **Proceeds**—For expenses of offering; the purchase and installation of machinery and molds and for working capital. **Office**—346 Carroll St., Brooklyn, N. Y. **Un-**

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derwriter—Edward H. Stern & Co., 32 Broadway, New York, N. Y.

Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address**—Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y. **Offering**—Expected sometime in Janaury.

Kanavau Corp.
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y.

Kansas Gas & Electric Co. (1/17)
Nov. 29, 1960 filed $7,000,000 of first mortgage bonds, due 1991. **Price**—To be determined at competitive bidding. **Proceeds**—To retire bank loans and for company's construction program. **Office** — 201 North Market St., Wichita, Kansas. **Underwriter** — To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Stone & Webster Securities Corp. (jointly); Glore, Forgan & Co.; Kuhn, Loeb & Co., and A. C. Allyn & Co. (jointly). **Bids** — Scheduled for Jan. 17 at 11 a.m. (EST), Room 240, 2 Rector St., New York City.

Keystone Alloys Co.
Oct. 28, 1960 filed 107,755 shares of common stock, of which 32,755 shares are to be offered for the account of the issuing company and 75,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company makes aluminum siding and accessories, coated materials, aluminum railing and columns for interior and exterior use, and a variety of aluminum combination storm-screen sash and doors and related products. **Proceeds**—$150,000 will be used to finance the construction and installation of an additional paint line, with the balance for working capital. **Office**—511 Mellon Bank Bldg., Latrobe, Pa. **Underwriter** — Singer, Deane & Scribner, Pittsburgh, Pa. (managing).

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds**—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter**—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

Lake Central Airlines, Inc.
Nov. 9, 1960 filed 130,000 shares of $20 par preferred stock. **Price**—To be supplied by amendment. **Business**—The issuer is a local service airline operating primarily in the midwest. **Proceeds**—Together with a $3,000,000 bank loan, the proceeds will be used to acquire more planes and for other purposes germane to expansion. **Office**—Indianapolis, Ind. **Underwriter**—William Blair & Co., Chicago, Ill. (managing).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Leadville Water Co.
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter**—H. M. Payson & Co., Portland, Me.

Leasing Credit Corp.
Nov. 29, 1960 filed 200,000 shares of class A stock and 200,000 warrants to be offered in units of one share and one warrant. **Price**—$4 per unit. **Business**—The company plans to engage in business of advancing funds to finance accounts receivable, inventories and purchase of equipment. **Proceeds**—For working capital. **Office**—440 West 34th Street, New York City. **Underwriter**—Edward Lewis & Co., Inc., New York (managing).

● **Lee Communication Inc.**
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture, research, sale and distribution of communications equipment and related products. **Proceeds**—For payment of bank loans; new equipment; advertising and promotion; engineering research and for working capital. **Office**—470 Park Ave., S., New York, N. Y. **Underwriter**—H. B. Crandall Co., New York, N. Y.

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

Life Assurance Co. of Pennsylvania
Nov. 29, 1960 filed 60,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—For investment in income producing securities and mortgages. **Office** — Philadelphia, Pa. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. (managing).

★ **Lone Star Gas Co.**
Dec. 6, 1960 filed a maximum of 665,838 shares of common stock (par $10) to be offered to holders of record Jan. 5 on the basis of one new share for each 10 shares then held, with rights to expire on Jan. 23. **Price**—To be supplied by amendment. **Business**—The operation of gas transmission lines and distribution systems in Oklahoma and Texas. **Office**—301 South Harwood St., Dallas, Tex. **Proceeds**—Repay short-term loans and for construction. **Underwriter**—First Boston Corp. (heading a group for unsubscribed for shares).

● **Long Island Plastics Corp. (12/19)**
Oct. 26 (letter of notification) 300,000 shares of common stock (10c par). **Price**—$1 per share. **Business**—Conversion of waste or scrap nylon into pellets for use in gears and other products, and the treatment of reclaimed nylon so as to permit its mixture and blending with various plastics. **Proceeds** — For additional equipment, inventory, and working capital. **Office** — Farmingdale, L. I., N. Y. **Underwriter**—The James Co., 369 Lexington Ave., New York City.

Madigan Electronic Corp.
Oct. 5, 1960 filed 110,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Business**—The design, manufacture and sale of electronic equipment for use primarily in weapons and data processing systems. **Proceeds**—Reduction of indebtedness and working capital. **Office**—200 Stonehinge Lane, Carle Place, N. Y. **Underwriter**—McLaughlin, Kaufman & Co., New York City.

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

Marine View Electronics, Inc.
Oct. 28, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office**—88-06 Van Wyck Expressway, Jamaica 18, N. Y. **Underwriter**—Fund Planning, Inc., New York, N. Y. **Offering**—Indefinite.

Mensh Investment & Development Associates, Inc.
Nov. 17, 1960, filed (1) $1,100,250 of 8% convertible subordinated debentures, due Sept. 1, 1970, and 36,675 shares of capital stock (par $1) to be offered in units of $750 of debentures and 25 shares of stock; (2) $969,000 of debentures and 32,300 shares of stock to be offered for subscription by stockholders and (3) approximately $142,860 of debentures and not to exceed 5,000 shares of stock to be offered in exchange for the 6% debentures, due March, 1961, of its subsidiary, Mentos Investments, Inc. **Price**—(1) $1,100 per unit; (2) 100% per debenture and $10 per share of stock. **Business** — The principal assets of the company are an office building at 1910 K St., N. W., Washington, D. C. **Proceeds**—To retire certain obligations; make improvements on property; retire debentures due 1961, and to construct or acquire income producing properties. **Office**—1625 Eye St., Washington, D. C. **Underwriter**—None.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C.

● **Metropolitan Telecommunications Corp.**
Sept. 27, 1960 filed $500,000 of 7% convertible subordinated debentures, due Dec. 15, 1970. **Price**—100% and accrued interest from Dec. 15, 1960. **Business**—The company makes and sells electronic and communications equipment. **Proceeds**—For general corporate purposes including debt reduction, working capital, and expansion. **Office**—Ames Court, Plainview, N. Y. **Underwriters**—M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc., both of New York City (managing). **Offering**—Imminent.

Mid-America Life Insurance Co.
Oct. 11, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price** — $2.75 per share. **Proceeds**—For capital and surplus accounts. **Office**—318 Northwest 13th St., Oklahoma City, Okla. **Underwriter**—F. R. Burns & Co., Oklahoma City, Okla.

● **Midland-Guardian Co.**
Oct. 27, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The firm discounts retail instalment sales notes for dealers in shell homes, mobile homes, and cars; finances at wholesale inventories of dealers in mobile homes and cars; makes small loans directly to borrowers; and operates various insurance subsidiaries, including a life insurance company. **Proceeds**—To repay short-term bank loans, which on Sept. 30 amounted to $31,529,000. **Office**—1100 First National Bank Bldg., Cincinnati, O. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in January.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

Mineral Concentrates & Chemical Co., Inc.
Nov. 10, 1960 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—Production of beryllium oxide. **Proceeds** — To pay two corporate notes; plant improvements; research and experimentation with flotation process; and working capital. **Office**—1430 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

Minneapolis Gas Co.
Nov. 21, 1960, filed 228,346 shares of common stock to be offered for subscription by common stockholders on the basis of one share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds** — For repayment of bank loans and for additions to the property. **Office**—739 Marquette Ave., Minneapolis 2, Minn. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn.

Mobile Credit Corp.
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Offering**—Imminent.

Mohawk Insurance Co.
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y. **Offering**—Expected in late December.

Monarch Electronics International, Inc.
Oct. 31, 1960 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif. **Offering**—Expected sometime in January.

● **Mortgage Guaranty Insurance Corp. (12/19)**
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State.

Mountain States Telephone & Telegraph Co.
Oct. 28, 1960 filed 6,729,142 shares of capital stock being offered to stockholders of record Nov. 28 on the basis of one new share for each five shares then held. Rights expire Dec. 20. **Price**—$12.50 per share. **Proceeds**—To repay short-term loans made to finance construction. **Office**—931 14th St., Denver, Colo. **Underwriter**—None.

National Aeronautical Corp. (1/4)
Nov. 8, 1960 filed 60,000 shares of $1 par common stock. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office**—Ft. Washington, Pa. **Underwriters**—White, Weld & Co., New York City, Yarnall, Biddle & Co. and Stroud & Co., Inc., both of Philadelphia (jointly).

National Airlines, Inc.
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Expected in late December.

National Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 416 Livingston Avenue North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y. **Offering**—Indefinite.

National Western Life Insurance Co.
Sept. 13, 1960 filed 225,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from the sale of shares to be issued as a result of options, in the amount of $1,106,407.50 for the discharge of indebtedness and general corporate purposes. **Office**—Denver, Colo. **Underwriter**—Peters, Writer & Christensen Inc., Denver, Colo. **Offering** — Expected sometime in December.

Navajo Freight Lines, Inc.
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co and Lowell, Murphy & Co. (jointly). **Offering**—Indefinitely postponed.

● **New Canaan Co. (12/19)**
Nov. 7, 1960 (letter of notification) 8,000 shares of class A capital stock (no par) and 2,000 shares of class B capital stock (no par) to be offered in units of 4 shares of class A and 1 share of class B for subscription by holders of class A and class B stock. Rights expire on Nov. 18, 1960. **Price**—$101 per unit. **Proceeds**—To repay a bank loan, loans to subsidaries and for working capital. **Office**—39 South Ave., New Canaan, Conn. **Underwriter** — Glidden, Morris & Co., 165 Broadway, New York, N. Y.

New Moon Homes, Inc.
Nov. 28, 1960 filed 131,600 shares of common stock (par $1), of which 66,668 shares are to be offered by the company, and 64,932 shares for the account of selling stockholders. **Price**—$9 per share. **Business**—The manufacture and sale of mobile homes. **Proceeds**—For working capital and new product development. **Office**—7808 Carpenter Freeway, Dallas, Texas. **Underwriter**—Baker, Simonds & Co., Detroit, Mich. (managing).

New Western Underwriting Corp.
Oct. 25, 1960 filed $2,000,000 of 15-year 6% subordinated convertible debentures. **Business** — The company which was organized in August, 1959, is developing, through subsidiaries, a dealer-recourse finance business and a life insurance business. **Proceeds**—For expansion. **Price**—At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North Billings, Mont.

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds**—For general corporate purposes **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

Nuclear Engineering Co., Inc.
Nov. 17, 1960 (letter of notification) 30,000 shares of common stock (par 33⅓ cents). **Price**—$10 per share. **Proceeds**—To repay a bank loan, account payable and for working capital. **Office**—65 Ray Street, Pleasanton, Calif. **Underwriter** — Walter C. Gorey Co., San Francisco, Calif.

★ **Pacific Gas Transmission Co.**
Dec. 12, 1960 filed $13,260,000 of convertible debentures due Feb. 1, 1981 to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 16⅔ common shares held of record Jan. 11. **Price**—At par ($100) per unit. **Proceeds**—For pipeline expansion. **Office**—San Francisco, Calif. **Underwriter**—None.

● **Pall Corp. (12/16)**
Oct. 27, 1960 filed 80,000 shares of class A stock (par $1), of which 30,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The firm produces metal and plastic filters for defense and consumer industries. **Proceeds**—For expansion, working caiptal, and to finance the company's entry into fibre glass manufacture. **Office**—30 Sea Cliff Ave., Glen Cove. L. I., N Y. **Underwriter**—L. F. Rothschild & Co., and Paine, Webber, Jackson & Curtis, both of New York City (managing).

Palm Developers Limited (12/27-30)
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

● **Faitie Equipment Co., Inc. (12/19)**
Oct. 17, 1960 filed 125,000 shares of class A stock (par 75 cents), of which 42,500 shares are to be offered for the account of the company and 72,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The remaining 10,000 shares have been acquired by the underwriter and Hampstead Investing Corp., as a finder's fee. **Price**—$5 per share. **Business**—Developing and producing automatic multiple needle and specialized sewing equipment. **Proceeds**—For general corporate purposes. **Office** — 16 Leliart's Land, East Paterson, N. J. **Underwriters** — Amos Treat & Co., Inc. and William Stix Wasserman & Co., Inc., New York, N. Y.

● **Patrician Paper Co., Inc. (12/19)**
Oct. 14, 1960 filed $800,000 of 7% unsecured subordinated notes due Oct. 1, 1965 and 96,000 shares of common stock (par 10c) to be offered in 8,000 units, each unit consisting of $100 principal amount of 7% notes and 12 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company manufactures facial and toilet tissues. **Proceeds**—For acquisition of property, to acquire machinery and equipment, and for repayment of certain loans. **Office** — 485 Lexington Ave., New York, N. Y. **Underwriter** — Hill, Darlington & Grimm, New York, N. Y.

Peerless Mortgage Co.
Nov. 16, 1960 (letter of notification) 430,000 shares of common stock (par 20 cents). **Price**—60 cents per share. **Proceeds**—For general corporate purposes. **Office**—403 Ursula Street, P. O. Box 187, Aurora, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Peerless Tube Co. (1/11)
Nov. 22, 1960 filed 150,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The production and sale of collapsible metal tubes and aerosol containers. **Proceeds**—To increase automation of production lines, for research and development, and the balance for working capital. **Office**—Bloomfield, N. J. **Underwriter**—Winslow, Cohu & Stetson, Inc., New York City.

Perry Electronic Components, Inc.
Nov. 30, 1960 (letter of notification) 75,000 shares of common stock (par five cents). **Price** — $4 per share. **Business**—The production of electronic components used by manufacturers of electronic instruments and equipment. **Proceeds** — For the purchase of electronic test equipment and machinery; for advertising and sales promotion; for research and development; for the acquisition of basic raw materials; for reduction of outstanding indebtedness; for working capital and for general corporate purposes. **Office**—81 Water St., Ossining, N. Y. **Underwriter**—S. B. Cantor & Co., and Farrell Securities Co., New York City. **Offering** — Expected sometime in January.

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa. **Offering**—Expected in January.

Pioneer Electronics Corp.
Oct. 26, 1960 filed 217,902 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each share held. **Price**—$1 per share. **Proceeds** — To retire current liabilities, for capital expenditures, and for working capital. **Office**—2235 S. Carmelina Ave., Los Angeles, Calif. **Underwriter**—None.

Plastics & Fibers, Inc.
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y. **Note**—The underwriter states that this offering will be delayed.

Plated Wires & Electronics, Inc.
Nov. 16, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—Manufacturers of assorted wires, including special wires for high temperature controls. **Proceeds**—For general corporate purposes. **Office**—63 Main Street, Ansonia, Conn. **Underwriter**—J. B. Coburn Associates, New York, N Y.

Pneumodynamics Corp.
Nov. 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is primarily a government defense contractor, supplying products and services requiring advanced technology. **Proceeds** — To repay indebtedness and the balance for working capital. **Office**—3781 E. 77th St., Cleveland, Ohio. **Underwriters**—Hemphill, Noyes & Co. and Estabrook & Co. **Offering**—Expected in mid-January.

Pocket Books, Inc. (1/10)
Nov. 17, 1960 filed 600,000 outstanding shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Business** — The issuer publishes and distributes paperback books, distributes publications of other publishers, and sells phonograph records. **Proceeds**—To selling stockholders. **Office**—630 Fifth Ave., New York City. **Underwriters**—White, Weld & Co. and Goldman, Sachs & Co., both of New York (managing).

● **Polysonics, Inc. (12/19)**
Nov. 18, 1960 (letter of notification) 70,000 shares of 1 cent par common stock. **Price**—$3 per share. **Business**—The company, formed last July, will act as theatrical producers and will produce jazz festivals, concerts, records and commercial films. The firm also plans to enter the development and merchandising of new commercial color sound process for industrial and commercial advertising. **Proceeds**—For working capital. **Office**—480 Lexington Avenue, New York City. **Underwriters**—M. H. Meyerson & Co., Ltd., 15 William Street, New York City (managing); Karen Securities Corp., New York City, and Selected Investors, Brooklyn, New York.

Popell (L. F.) Co.
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

Porce-Cote Research & Development Corp.
Nov. 18, 1960 (letter of notification) 50,000 shares of class A stock (par 10 cents). **Price**—$5 per share. **Business**—Research and development of chemical products. **Proceeds**—For general corporate purposes. **Office**—336 Uniondale Ave., Uniondale, N. Y. **Underwriter**—Suburban Investors Corp., Uniondale, N.Y.

Precisioncraft Electronics, Inc.
Nov. 14, 1960 (letter of notification) 150,000 shares of capital stock (no par). **Price**—$1 per share. **Proceeds**—To retire a bank loan and to purchase building inventories and for working capital. **Office**—5335 W. 102nd St., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles, Calif.

● **Preferred Risk Life Assurance Co.**
Aug. 18, 1960 filed 300,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For general corporate purposes. **Office** — 20 East Mountain St., Fayetteville, Ark. **Underwriter**—Preferred Investments, Inc., a subsidiary of the issuer. **Offering**—Imminent.

Puritron Corp.
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter** — Bache & Co., New York City (managing). **Offering**—Postponed.

R. E. D. M. Corp.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price** $3.50 per share. **Proceeds**—For working capital ($217,-250) and production machinery and equipment ($50,000). **Office**—Little Falls, N. J. **Underwriter**—Robert Edelstein & Co., Inc., New York City. **Offering**—Expected sometime in January.

● **Radar Measurements Corp. (2/15)**
Sept. 28, 1960 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office** — 190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y.

Rajac Self-Service, Inc.
Nov. 15, 1960 filed 154,375 shares of common stock (10c par). **Price**—$3 per share. **Proceeds**—$30,000 will be used to pay an outstanding note, $87,500 will be used for the acquisition, constructing, and equipping of an additional plant, $22,500 will be used to cover the expenses of offering the stock, and the balance will be used to reduce indebtedness and purchase equipment. **Office**—Mt. Vernon, N. Y. **Underwriter**—The James Co., 369 Lexington Avenue, New York 17, N. Y. **Offering**—Expected sometime in January.

Real Estate Mutual Fund
Oct. 14, 1960 filed 200,000 shares of beneficial interest. **Price**—$5 per share. **Business**—An open-end real estate investment trust specializing in investment real estate. **Office** — 606 Bank of America Bldg., San Diego, Calif. **Distributor**—Real Estate Mutual Distributors, Inc., San Diego, Calif.

Reeves Soundcraft Corp.
Nov. 23, 1960 filed 150,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of magnetic tape, film and recording discs. **Proceeds** — To the Prudential Insurance Co. of America, the selling stockholder. **Office**—15 Great Pasture Road, Danbury, Conn. **Underwriter**—Emanuel, Deetjen & Co., New York City (managing). **Offering**—Expected some time in January.

● **Resisto Chemical, Inc. (12/19)**
Aug. 29, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The firm makes and sells protective coatings for packaging and fabrics, and products used in insulation. **Proceeds**—For working capital ($235,358), with the balance for machinery, equipment, and general corporate purposes. **Office** — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City.

Restaurant Associates, Inc.
Nov. 16, 1960 filed 245,000 shares of $1 par common stock, of which 195,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business** — The issuer operates a wide variety of restaurants, coffee shops, and cafeterias, mostly in New York City, including The Four Seasons and The Forum of the Twelve Caesars. **Proceeds**—For working capital and expansion. **Office**—515 W. 57th St., New York City. **Underwriter**—Shearson, Hammill & Co., New York City (managing). **Offering** — Expected in early January.

Reynolds & Reynolds Co.
Dec. 1, 1960 filed 130,000 outstanding shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of business and accounting forms and systems. **Proceeds**—To selling stockholders. **Office** — 800 Germantown St., Dayton, Ohio. **Underwriters** — H. M. Byllesby & Co., Chicago, and Grant-Brownell & Co., Dayton, Ohio (managing).

Riddle Airlines, Inc.
Aug. 19, 1960 filed $2,250,000 of 6% subordinated convertible debentures. **Price**—At 100% of principal amount. **Proceeds** — To be used as operating capital to fulfill M. A. T. S. contract, and to acquire aircraft. **Office**—International Airport, Miami, Fla. **Underwriter**—James H. Price & Co., Coral Gables, Fla., and New York City.

Ritter Co., Inc. (12/21)
Nov. 17, 1960 filed $4,500,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Business** — The firm manufactures medical and dental equipment. **Proceeds** — To retire $3,350,000 of short term bank loans, with the balance for general corporate purposes. **Office**—Ritter Park, Rochester, N. Y. **Underwriter**—Lehman Brothers, New York City (managing).

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● Rohm & Hass Co. (1/3)
Nov. 17, 1960 filed 9,000 shares of outstanding common stock (par $20). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders, the executors of the estate of Otto Haas, former Board Chairman and President. **Office**—222 West Washington Square, Philadelphia, Pa. **Underwriters**—Drexel & Co., Philadelphia, Pa., and Kidder, Peabody & Co., New York City (managing).

Save-Co Veterans & Service & Department Stores, Inc.
Sept. 26, 1960 filed 163,636 shares of common stock, of which 127,273 shares are to be offered for the account of the issuing company and 36,363 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company operates a department store and gasoline service station the use of which is restricted primarily to veterans, military personnel, employees of non-profit organizations, and employees of firms doing government contract work. **Proceeds**—For general corporate purposes, including debt reduction and working capital. **Office**—3176 Frontier St., San Diego, Calif. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo. (managing). **Offering** — Expected in mid-to-late December.

(G. T.) Schjeldahl Co.
Nov. 28, 1960 filed 9,000 outstanding shares of common stock and $765,000 of convertible subordinated debentures, due 1971. The debentures will be offered to holders of the outstanding common stock on basis of $100 principal amount of debentures for each 100 common shares held. **Price**—To be supplied by amendment. **Business**—The research, development and production of plastics and electronic instrumentation systems. **Proceeds**—For working capital, the acquisition and development of Plymouth Industrial Products, Inc., Sheboygan, Wis., and for expansion. **Office**—Northfield, Minn. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn. (managing).

● School Pictures, Inc. (12/28)
Sept. 28, 1960 filed 100,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 1610 North Mill St., Jackson, Miss. **Underwriters**—Equitable Securities Corp. of New York City, and Kroeze, McLarty & Co., of Jackson, Miss.

★ Screen Gems, Inc. (1/16)
Dec. 8, 1960 filed 300,000 shares of common stock ($1 par) to be offered for subscription by common stockholders of Columbia Pictures Corp., holder of all outstanding shares on the basis of one share of Screen Gems for each five shares of Columbia Pictures, and for subscription on the same basis by participating employees under the Columbia Pictures Corp. Employees' Stock Purchase Plan. **Price**—To be supplied by amendment. **Business**—The production and distribution of television feature films, shorts and commercials. **Office**—711 Fifth Ave., New York, N. Y. **Underwriting**—Hemphill, Noyes & Co., and Hallgarten & Co., both of New York City.

★ Scrivner-Stevens Co.
Dec. 9, 1960 filed 70,000 shares of common stock, of which 62,840 shares are to be offered for the account of the issuing company and 7,160 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—$200,000 will be used to reduce short-term borrowings, $56,000 for a partial payment of a note due 1975, and the balance for working capital. **Office**—Oklahoma City, Okla. **Underwriter**—Francis I. du Pont & Co., New York City (managing). **Offering**—Expected in mid-January.

Seaboard Homes, Inc.
Nov. 7, 1960 (letter of notification) 100.000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture, assembly and sale of homes and home sectional components. **Proceeds**—For general corporate purposes. **Office**—200 Saw Mill River Rd., Hawthorne, N. Y. **Underwriters**—Richard Bruce & Co., Inc. and Fox & Walters, Inc., New York, N. Y.

Self Service Drug Corp.
Sept. 26, 1960 (letter of notification) $150,000 of 10-year 6% convertible debentures and 75,000 shares of common stock (no par) to be offered in units of $100 of debentures and 50 shares of common stock. **Price** — $200 per unit. **Proceeds** — To move and equip a new warehouse; pay off certain bank indebtedness and for new lines. **Office**—2826 Mt. Carmel Ave., N. Hills, Glenside, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa. **Offering**—Expected in early January.

Shatterproof Glass Corp.
Oct. 12, 1960 filed 100,000 shares of common stock (par $1), of which 50,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company makes and sells laminated safety plate and sheet glass, primarily to the automotive replacement market, and sells its products for use as original equipment to bus, truck, television, and farm and road equipment manufacturers. **Proceeds**—To repay current short-term bank loans incurred to supplement working capital. **Office** — 4815 Cabot St., Detroit, Mich. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Straus, Blosser & McDowell, Chicago, Ill. (managing). **Offering**—Expected in mid-to-late December.

Shinn Industries Inc.
Nov. 29, 1960 filed 150,000 shares of common stock. **Price** —$6 per share. **Business**—The manufacture, assembly and sale of aircraft and missile components and the construction of industrial and research facilities. **Proceeds**—To repay a bank loan, for expansion and inventory, and for working capital. **Office** — Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City.

Shore-Calnevar, Inc.
Nov. 25, 1960 filed 200,000 common shares, of which 100,000 shares will be offered for public sale by the company and 100,000, being outstanding shares, by present stockholders. **Price**—To be supplied by amendment. **Business**—Designs and produces automobile hub caps, washroom dispensers and other janitorial supplies. **Proceeds**—To repay outstanding bank loans and to increase inventories. **Office** — 7701 East Compton Boulevard, Paramount, Calif. **Underwriter** — H. Hentz & Co. and Federman, Stonehill & Co., both of New York City (managing). **Offering** — Expected in late December to early January.

Simplex Wire & Cable Co.
Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Indefinite.

Slick Airways, Inc.
Oct. 27, 1960 filed 600,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company was engaged exclusively as a contract and charter carrier until July 1, 1960 when it diversified by acquiring Illinois Shade Cloth Corp. **Proceeds**—For general corporate purposes. **Office**—3000 No. Clybourn Ave., Burbank, Calif. **Underwriters** — Auchincloss, Parker & Redpath and Allen & Co., both of New York City (managing). **Offering**—Indefinitely postponed.

★ Solite Products Corp.
Dec. 8, 1960, filed 750 units, consisting in the aggregate of $225,000 principal amount of 7% debentures due February, 1968, and 75,000 shares of common stock to be offered in units of $100 of debentures and 100 common shares. **Price** — $300 per unit. **Business** — The design, manufacture and sale of advertising signs, displays and miscellaneous plastic items. **Proceeds**—For general business purposes, including the purchase of tools, dies and equipment; for research, sales and inventory and for additional working capital. **Office**—375 East 163rd St., New York, N. Y. **Underwriter**—William David & Motti, Inc., New York City. **Offering** — Expected by the end of January.

Solitron Devices, Inc.
Sept. 9, 1960 filed $400,000 of 6% subordinated convertible debentures, due 1967. **Price**—At par. **Business**—The company makes and sells solid state devices. **Proceeds**—For general corporate purposes. **Office**—67 South Lexington Ave., White Plains, N. Y. **Underwriter**—Casper Rogers & Co., New York City. **Offering**—Expected sometime in December.

Southern Gas & Water Co.
Nov. 28, 1960 (letter of notification) 12,000 shares of common stock (no par). **Proceeds**—To selling stockholders. **Office**—179 Summer St., Charleston, W. Va. **Underwriter**—Johnson, Lane, Space Corp., Savannah, Ga.

Southwest Gas Corp.
Nov. 7, 1960 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The sale and distribution of natural gas for domestic, commercial, agricultural, and industrial uses in parts of California, Nevada, and Arizona. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office**—2011 Las Vegas Blvd. South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Southwestern Capital Corp.
Sept. 30, 1960 filed 1,000,000 shares of common stock. **Price**—$3 per share. **Business**—A closed-end investment company. **Proceeds**—For investment purposes. **Office**—1326 Garnet Ave., San Diego, Calif. **Underwriter**—None.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

Speedee Mart, Inc.
Nov. 21, 1960 filed 90,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—Enfranchising others to manage and operate retail food stores under the name of "Speedee Mart." **Proceeds**—For acquisitions, equipment and store inventories. **Office** — 7988 Normal Ave., La Mesa, Calif. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

Speedry Chemical Products Inc. (12/20)
Sept. 28, 1960 filed $2,000,000 of convertible subordinated debentures, due Dec. 1, 1975, and 60,000 shares of class A common stock (50c par). **Prices**—To be supplied by amendment. **Business**—The company makes special purpose inks and devices used in their application. **Proceeds** —For expansion, acquisitions, and the retirement of bank loans. **Office** — 91-31 121st St., Richmond Hill, Queens, L. I., N. Y. **Underwriter** — S. D. Fuller & Co., New York City (managing).

● Stancil-Hoffman Corp. (12/19-23)
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price** —$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Standard & Shell Homes Corp.
Nov. 1, 1960 filed 210,000 shares of common stock and $350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants, to be offered in units consisting of six common shares, a $10 debenture, and two warrants. **Price**—To be supplied by amendment. **Proceeds**—For construction, mortgage funds, and working capital. **Office**—Miami Beach, Fla. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York City, and Roman & Johnson, of Ft. Lauderdale, Fla.

Starfire Boat Corp.
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Proceeds**—For working capital. **Office**—809 Kennedy Bldg., Tulsa, Okla. **Underwriters**—Batten & Co., Washington, D. C. and F. R. Burns & Co., Oklahoma City, Okla.

● Statmaster Corp. (1/5)
Nov. 25, 1960 (letter of notification) $125,000 of five-year 6½% convertible subordinated debentures and 125,000 shares of common stock (par 10 cents) to be offered in units, each unit to consist of $50 of debentures and 50 shares of common stock. **Price**—$100 per unit. **Proceeds** —To purchase inventory, retire a bank loan and for working capital. **Office**—3552 10th Court, Hialeah, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

● Steel Crest Homes, Inc.
Nov. 22, 1960 filed 180,000 shares of common stock; $450,000 of 8% subordinated sinking fund debentures ($10 face amount), due Sept. 1, 1981; and 45,000 warrants exercisable at $15 for the purchase of two shares and one debenture (for which 90,000 underlying common shares and 45,000 underlying 8% debentures were also filed). The securities will be offered in units, each unit to consist of four shares of stock, one $10 face amount debenture and one warrant. **Price**—$18 per unit. **Proceeds**—For the financing of homes sold by the company and its subsidiary, and for working capital. **Office**—Center Square, Pa. **Underwriters**—Marron, Sloss & Co., Inc., New York City and Harrison & Co., Philadelphia, Pa. **Offering**—Expected in late January.

Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriter**—None; the offering will be made through officials and employees of the company. **Offering**—Expected sometime in January.

Super Market Distributors, Inc.
Dec. 1, 1960 filed 200,000 outstanding shares of common stock. **Price**—$5 per share. **Business**—The wholesale distribution of non-food consumer items to supermarkets. **Proceeds**—To selling stockholders. **Office**—39 Old Colony Ave., Boston, Mass. **Underwriter**—Clayton Securities Corp., Boston, Mass.

★ Suzanna's Kitchen, Inc.
Dec. 6, 1960 (letter of notification) 50,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Office**—650 Hurt Bldg., Atlanta, Ga. **Underwriter**—None.

"Taro-Vit" Chemical Industries Ltd.
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

Tech-Ohm Electronics, Inc.
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 36-11 33rd Street, Long Island City, N. Y. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y. **Note**—This issue was refiled on Sept. 6.

TelAutograph Corp.
Nov. 18, 1960 filed an unspecified number of shares of common stock (par value $1), to be offered to common stockholders for subscription. **Price**—To be supplied by amendment. **Proceeds**—For initial production expenses of a Telescriber compatible with an A. T. & T. analog subset; for initial production expenses of facsimile equipment to be made by its subsidiary Hogan Faximile Corp., and the balance for the reduction of indebtedness. **Office** —8700 Bellanca Avenue, Los Angeles, Calif. **Underwriters**—Baird & Co., and Richard J. Buck & Co., both of New York City, and Chace, Whiteside & Winslow, Inc., Boston, Mass. **Offering**—Expected some time in January.

● Telephone & Electronics Corp. (12/27)
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

Tele-Tronics Co. (12/19-23)
Aug. 10, 1960 (letter of notification) 100,000 shares of common stock (par 40 cents). **Price**—$3 per share. **Proceeds**—For plant expansion, additional machinery, acquisition of new facilities and working capital. **Office**—180 S. Main St., Ambler, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Texas Eastern Transmission Corp.
Dec. 2, 1960 filed $30,000,000 of first mortgage pipe line bonds, due 1981, and 150,000 shares of preferred stock. **Price**—To be supplied by amendment. **Proceeds**—To retire revolving credit notes and for construction. **Office**—Memorial Professional Bldg., Houston, Texas. **Underwriter**—Dillon, Read & Co. Inc. (managing). **Offering**—Expected sometime in January.

● Texas Research & Electronic Corp.
Oct. 3, 1960 filed 1,000,000 shares of common stock. **Price** —$1.15 per share. **Business**—Engaged in various phases of electronics. **Proceeds**—For acquisition of small businesses. **Office**—Meadows Bldg., Dallas, Tex. **Underwriter** —Naftalin & Co., Inc., Minneapolis, Minn.

Therm-Air Mfg. Co., Inc.
Sept. 13, 1960 filed 125,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes and sells temperature and humidity control equipment for military and commercial use. **Proceeds**—To pay loans, for research and development, and for working capital. **Office**—1000 North Division St., Peekskill, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., New York City.

Tip Top Products Co.
Oct. 4, 1960 filed 60,000 shares of class A common stock **Price**—To be supplied by amendment. **Address**—Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and First Trust Co. of Lincoln, Lincoln, Neb. **Offering**—Expected in December.

★ **Toledo Plaza Investment Trust (2/1)**
Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. **Price**—$2,500 each. **Business** — The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. **Proceeds**—To purchase the abovementioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Town Photolab, Inc.
Nov. 30, 1960 filed 150,000 shares of common stock. **Price**—$4 per share. **Business** — The processing and sale of photographic film, supplies and equipment. **Proceeds**—For general business expenses. **Office** — 2240 Jerome Avenue, New York City. **Underwriter**—Michael G. Kletz & Co., New York City. **Offering**—Expected in late Jan.

★ **Trans-Air System, Inc.**
Dec. 6, 1960 (letter of notification) 90,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—International air freight forwarding. **Proceeds**—For expansion purposes. **Office**—51 Hudson Street, New York, N. Y. **Underwriter**—Flomenhaft, Seidler & Co., Inc., New York, N. Y. **Offering**—Expected in January.

Underwater Storage, Inc.
Nov. 8, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—1028 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Searight, Ahalt & O'Connor, Inc., New York, N. Y. **Offering**—Expected in early January.

Unifloat Marine Structures Corp.
Oct. 17, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, maintenance of inventory, machinery and equipment, and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—To be supplied by amendment.

United Automotive Industries, Inc.
Nov. 28, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To retire outstanding indebtedness and for working capital. **Office**—2136 S. Garfield Ave., Los Angeles, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco, Calif.

★ **United Financial Corp. of California**
Dec. 14, 1960 filed 600,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To the selling stockholders. **Business**—Holding company for two savings and loan associations. Also operates an insurance agency for fire, casualty, and other related real estate coverage. **Office**—425 South La Brea Ave., Inglewood, Calif. **Underwriter**—Lehman Brothers, New York (managing).

United Gas Corp. (12/20)
Nov. 29, 1960 filed a maximum of 161,573 shares of $10 par common stock. **Price**—To be supplied by amendment. **Proceeds** — To the selling stockholder, Electric Bond & Share Co. **Office**—Shreveport, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp. **Bids**—To be received Dec. 20 up to 3:45 p.m. (EST) in room 2033, 2 Rector St., New York City. **Information Meeting**—Scheduled for 10:30 a.m., Dec. 16 in Room 240, 2 Rector St., New York City.

United Industries Co., Inc.
Sept. 27, 1960 filed $500,000 of 6% convertible serial subordinated debentures. **Price**—At par. **Business**—The issuer's major activity is the warehousing of grain under contract to the U. S. Commodity Credit Corp. **Proceeds**—For expansion, working capital, and loans to subsidiaries. **Office**—1235 Shadowdale, Houston, Texas. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in mid-December.

● **United International Fund Ltd.**
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering**—Expected in January.

United Pacific Aluminum Corp.
Aug. 24, 1960 filed $7,750,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, the proceeds will be used to pay for the erection of a primary aluminum reduction facility. **Office** — Los Angeles, Calif. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. (managing).

● **United States Shell Homes, Inc. (12/19)**
Oct. 28, 1960 filed $2,500,000 of 8% capital debentures, due Dec. 15, 1975, with warrants attached for the purchase of 50,000 shares of common stock, and 100,000 shares of such stock. These securities are to be offered in units consisting of $100 of debentures with attached warrants for the purchase of two common shares, and four such shares. **Price**—To be supplied by amendment. **Business**—The sale, construction, and financing of "shell" homes. **Proceeds**—For use by Dixie Acceptance Corp., a wholly-owned subsidiary of the issuer, who proposes to retire outstanding indebtedness, purchase secured instalment obligations, purchase 20,000 outstanding shares of its stock, and add to working capital. **Office** — 4415 Beach Boulevard, Jacksonville, Fla. **Underwriter**—Hayden, Stone & Co., New York City (managing).

★ **United Telecontrol Electronics, Inc.**
Dec. 8, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturing components designed for use in connection with telephone and telegraph communication equipment on a prime contract basis. **Proceeds** — For general corporate purposes, including working capital. **Office**—Monmouth County Airport, Wall Township, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York, New York.

Universal Electronics Laboratories Corp.
Oct. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The manufacture, sale and installation of equipment used by schools and colleges in the instruction of modern foreign languages (language laboratories). **Proceeds** — For general corporate purposes. **Address** — 510 Hudson St., Hacskensack, N. J. **Underwriter**—Underhill Securities Corp., 19 Rector Street, New York, N. Y.

Urban Development Corp.
Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter** — Union Securities Investment Co., Memphis, Tenn.

● **Valdale Co., Inc.**
July 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To pay accounts payable, reduce a bank loan, advertising and for working capital. **Office**—Red Lion, Pa. **Underwriters**—B. N. Rubin & Co. and H. S. Simmons & Co. both of New York City. **Offering**—Imminent.

Varifab, Inc.
Nov. 14, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of components, subassemblies, assemblies and special devices in the missile and computer fields. **Proceeds**—For general corporate purposes. **Address**—High Falls, N. Y. **Underwriter**—Droulia & Co., New York, N. Y.

● **Vector Industries, Inc. (12/19-23)**
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Plymouth Securities Corp., New York City.

Vim Laboratories, Co., Inc.
Oct. 26, 1960 (letter of notification) 90,000 shares of class A common stock (par $1). **Price**—$2.75 per share. **Proceeds**—To provide funds for further expansion of the company's operations. **Office**—5455 Randolph Rd., Rockville, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● **Westminster Fund, Inc. (12/19-23)**
Oct. 14, 1960 filed 4,000,000 shares of capital stock. **Business**—This is a new mutual fund, and its intention is to offer holders of at least $25,000 worth of acceptable securities the opportunity of exchanging each $12.50 worth of such securities for one share in the Fund, which will receive a maximum commission of 4%. **Office**—Westminster at Parker, Elizabeth, N. J. **Investment Advisor**—Investors Management Co. **Dealer - Manager**—Kidder, Peabody & Co., New York City.

Westmore, Inc.
Dec. 1, 1960 (letter of notification) 150,000 shares of common stock (par 40 cents). **Price**—$2 per share. **Business**—Inventing, developing, producing and marketing of electronic test equipment. **Proceeds**—For production, research and development; for repayment of loans and for working capital. **Office**—Fanwood, N. J. **Underwriter**—Vincent, James & Co., Inc., 37 Wall St., New York, N. Y.

● **Willer Color Television System, Inc. (12/27)**
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

★ **Wings & Wheels Express, Inc.**
Dec. 9, 1960 filed 85,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For expansion, working capital, the financing of accounts receivable, and general corporate purposes. **Office**—Flushing, L. I., N. Y. **Underwriters**—Globus, Inc. and Ross, Lyon & Co., Inc., both of New York City.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing was scheduled for Aug. 29 at the request of the company counsel and the results have not as yet been announced.

Zurn Industries, Inc.
Sept. 26, 1960 filed 200,000 shares of common stock ($1 par), of which 100,000 shares are to be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture of mechanical power transmission equipment, fluid control devices, building plumbing drainage products and research and development of a synchro-gear assembly for atomic submarines. **Proceeds**—For new equipment, the repayment of loans, and working capital. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Postponed.

Prospective Offerings

Advance Industries Corp.
Dec. 5, 1960 it was reported that a "Reg. A" filing covering 100,000 shares of the company's 10 cent par common stock is expected in mid-December. **Price**—$3 per share. **Business**—Manufacturer of furniture. **Proceeds**—For equipment and general corporate purposes. **Office**—Chantilly, Va. **Underwriter**—Allen, McFarland & Co., Washington, D. C.

Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

American Investment Co.
Nov. 3, 1960, Donald L. Barnes, Jr., executive vice-president, announced that debt financing is expected in early 1961 in the form of about $6,000,000 of capital notes and $4,000,000 to $6,000,000 of subordinated notes. **Office**—St. Louis, Mo.

Approved Finance Inc.
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities plans the issuance of approximately $15,000,000 of first mortgage bonds, sometime in Mar. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

Automation Development, Inc.
Sept. 20, 1960 it was reported that a "Reg. A" filing, comprising this firm's first public offering is expected. **Note** — This firm was formerly carried in this column under the heading "Automation for Industry Inc." **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—Ross, Riemer, Collins & Co., Inc., 44 Beaver St., New York City.

Automation Labs Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Business** — Electronics. **Office** — Westbury, L. I., N. Y. **Underwriter** — Sandkuhl and Company, Newark, N. J., and New York City.

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Baltimore Gas & Electric Co.
Oct. 3, 1960 it was reported that the utility expects to sell about $20,000,000 of additional securities, possibly bonds or preferred stock, sometime during the first half of 1961. **Office**—Lexington Building, Baltimore, Md. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly).

Bo-Craft Enterprises Inc.
Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 cent par common stock will be filed for this company. **Price**—$3 per share. **Business**—The company is engaged in the manufacture of parts for zippers. **Proceeds**—For expansion and general corporate purposes. **Office**—11-54 44th Drive, Long Island City, N. Y. **Underwriter**—Harwyn Securities, 1457 Broadway, New York City.

Brooklyn Union Gas Co.
Sept. 21, 1960 G. C. Griswold, Vice-President and Treasurer, announced that there will be no further financing in 1960 but that $25,000,000 to $30,000,000 of mortgage bonds or preferred stock are expected in late 1961 or early 1962. **Office**—176 Remsen St., Brooklyn 1, N. Y.

● **Business Capital Corp.**
Nov. 18, 1960 George H. Dovenmuehle, Board Chairman of Dovenmuehle Inc., Chicago, Ill., reported that this firm is contemplating "a large public offering." **Business**—This is a small business investment company formed in 1960, and it plans to develop real estate. In addition to Mr. Dovenmuehle, directors will be drawn from Commonwealth Edison Co.; Chicago Title & Trust Co.; Continental Assurance (Chicago); Booz Allen & Hamilton and Armour Research Institute. **Office** — Chicago, Ill. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill.

● **California Asbestos Corp.**
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif. **Registration**—Indefinite.

California Oregon Power Co.
Oct. 18, 1960 it was reported that the company expects to come to market in late 1961 to raise about $12,000,000 in the form of approximately $7,000,000 of bonds and $5,000,000 common stock. **Proceeds**—For the repayment of bank loans. **Office**—216 W. Main St., Medford, Oreg.

● **Carbonic Equipment Corp.**
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc. **Registration**—Expected sometime in January.

Casavan Industries
Sept. 21, 1960 it was reported by Mr. Casavena, President, that registration is expected of approximately $11,750,000 of common stock and $10,000,000 of debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion to meet $10,000,000 backlog. **Office**—250 Vreeland Ave., Paterson. N. J. **Underwriter**—To be named. **Registration**—Expected in late December.

Chesapeake & Potomac Telephone Co. (2/15)
Dec. 1, 1960 it was reported that this A. T. & T. subsidiary plans to sell $20,000,000 of bonds. **Office**—Washington, D. C. **Underwriter**—To be determined by competitive bidding. Probable bidders: First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co. **Bids**—Expected to be received on Feb. 15. **Information Meeting**—Scheduled for Feb. 9 at 2:30 p.m. (EST) in Room 1900, 195 Broadway, New York City.

Chicago, Burlington & Quincy RR. (1/4)
Dec. 1, 1960 it was reported that bids will be received by the road on Jan. 4, for $8,550,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc.

● **Citizens & Southern Capital Corp.**
Oct. 24, 1960 it was reported that the company expects to file $3,000,000 of its common stock. **Office**—c/o Citizens & Southern National Bank, Marietta at Broad. Atlanta, Ga. **Note**—This compay formerly was the Citizens & Southern Small Business Investment Co. **Registration**—Expected in early 1961.

Coca-Cola Co.
Sept. 22, 1960 it was announced that under the terms of the proposed acquisition of Minute Maid Corp. this company would issue about 906,400 shares of its common stock, each share of which will be exchanged for 2.2 Minute Maid shares. **Office**—Atlanta, Ga. **Note**—Minute Maid shareholders will vote on the proposed merger on Dec. 21.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing. Such approval is expected in December of this year, and the public financing is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbus & Southern Ohio Electric Co.
Sept. 22, 1960 it was reported the company will sell about $10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

★ **Consolidated Natural Gas Co. (2/7)**
Dec. 9, 1960 the company reported that it plans to register with the SEC $45,000,000 of 25-year sinking fund debentures. Later in 1961 the company will issue and sell an additional $25,000 000 of debentures. **Proceeds**—To repay a bank loan and for construction. **Underwriter**—The last sale of $25,000,000 of debentures on Feb. 9 was handled by Morgan Stanley & Co., and The First Boston Corp. **Bids**—It is expected that bids for the $45,000,000 issue will be opened on Feb. 7, 1961.

Dakota Reinsurance Corp.
Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its $1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office** — P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Diversified Automated Sales Corp.
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

Dynacolor Corp.
Aug. 22, 1960 it was reported that new financing will take place but there is no indication as yet as to type, timing and amount. **Office**—1999 Mt. Read Blvd., Rochester, N. Y. **Underwriter**—The company's initial financing was handled by Lee Higginson Corp., New York City.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

Dynamic Instrument Corp.
Oct. 5, 1960 it was reported that a full filing of approximately $300,000 of bonds, common stock and warrants is expected. **Proceeds**—For expansion and the manufacture of a new product. **Office**—Westbury, L. I. **Underwriter**—R. F. Dowd & Co. Inc.

● **Exploit Films Inc.**
Oct. 28, 1960 it was reported that the company will file a letter of notification consisting of 150,000 shares of common stock at $2 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th St., New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City. **Registration**—Expected in late December.

● **First Real Estate Investment Fund**
Dec. 9, 1960 it was reported that a stock offering of $10,000,000 will be made to New York State residents after Jan. 1. Subsequently a filing will be made with the SEC which will permit inter-state offering. **Business**—This is a new mutual fund which will become openend subsequent to the sale of this stock, and will invest primarily in commercial real estate and short-term government bills. **Office**—604 Fifth Avenue, New York City. **Sponsor**—Fass Management Corp., New York City.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961 **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit, Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering, in late December or early January. **Office** — 430 Southern Blvd., Bronx, N. Y.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Goshen Farms Inc.
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

● **Hemingway Brothers Interstate Trucking Co.**
Sept. 16, 1960 the ICC granted the firm permission to issue $1,000,000 of 10-year registered 6% subordinated debentures. **Business**—The firm is a common carrier by motor vehicle operating in nine Eastern states. **Proceeds**—For debt reduction and additional equipment. **Office**—New Bedford, Mass. **Underwriter**—None. **Note**—Dec. 9, a company spokesman stated that the offering of these debentures is expected and they will be sold primarily to employees and others closely associated with the company.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

International Safflower Corp.
Oct. 28, 1960 it was reported that the company plans to file a letter of notification consisting of 60,000 shares of class A common stock (par $2). **Price** — $5 per share. **Proceeds**—To retire outstanding loans, purchase of planting seed, lease or purchase land, building and machinery and for working capital. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs Colo.

Iowa-Illinois Gas & Electric Co.
Oct. 24, 1960 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to come to market, perhaps in mid-1961, to sell long-term securities in the form of bonds and possibly preferred stock, with the amount and timing to depend on market conditions. The 1961 construction program is estimated at $17 million of which $10-$11 million will have to be raised externally. **Office**—206 E. 2nd St., Davenport, Iowa.

Japan Telephone & Telegraph Corp.
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Kidder, Peabody & Co. **Offering**—Expected in the Spring of 1961.

Kawasaki Steel Co., Ltd.
Oct. 17, 1960 it was reported that the Japanese company is considering a $4,000,000 bond issue for U. S. offering. **Underwriter**—First Boston Corp., New York City.

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

● **Lake Superior District Power Co. (2/7)**
Dec. 7, 1960, G. A. Donald, Chairman and President stated that the company plans the issuance and sale of $30,000,000 of first mortgage bonds, series F, due Feb. 1, 1991. **Proceeds**—To repay bank loans and for expansion. **Office** — 101 W. Second St., Ashland, Wisconsin. **Registration**—Expected about Jan. 9. **Bids**—To be received in Chicago on Feb. 7.

● **L'Aiglon Apparel, Inc.**
Dec. 2, 1960, it was reported that company plans to file a registration statement with the SEC in January covering about 60,000 shares of common stock. **Business**—The manufacture of ladies' dresses. **Office**—15th and Mt. Vernon Sts., Philadelphia, Pa. **Underwriters**—Alex. Brown & Sons, Baltimore and Kidder, Peabody & Co., New York (jointly).

Long Island Lighting Co.
Nov. 11, 1960 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 to $30,000,000 of first mortgage bonds in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y.

Macroso Lumber & Trim Co., Inc.
Nov. 7, 1960, it was reported that a substantial common stock offering is contemplated in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Ave., Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City N. Y.

★ **Maryland Cup Co.**
Dec. 14, 1960 it was reported that Lehman Brothers is handling preliminary work on a proposed public offering of securities. **Registration**—Expected about Dec. 22.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mississippi Business & Industrial Development Corp.
Nov. 28, 1960 it was reported that the company will issue $1,000,000 of $10 par common stock, of which $500,000 will be subscribed for by utility companies and $500,000 will be sold to business and industry and the general public. **Business**—To assist via loans, investments, and other business transactions, in the location and expansion of businesses in Mississippi.

★ Missouri Pacific RR. (1/10)
Dec. 12, 1960 it was reported that the road plans the sale of $3,210,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co., Inc. **Bids**—To be received on Jan. 10.

★ Monroe Mortgage & Investment Corp.
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None. **Offering**—Expected in early January.

★ Montana-Dakota Utilities Co.
Dec. 1, 1960, F. R. Gamble, Treasurer, stated that company plans to sell $5,000,000 of preferred stock ($100 par), sometime in mid-January. Stockholders are to vote Dec. 13 on increasing the authorized preferred. **Proceeds**—$3,000,000 will be used to repay bank loans and $2,000,000 will be added to working capital. **Office**—831 Second Ave., South, Minneapolis, Minn. **Underwriter**—A previous preferred issue was underwritten on negotiated basis by Blyth & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

★ National State Bank of Newark (N. J.)
Dec. 9, 1960, it was reported that this bank plans to offer stockholders the right to subscribe to 40,000 additional shares of capital stock (par $12.50) on the basis of one share for each 15 shares held, after giving effect to a 7.14% stock dividend. Transaction is subject to approval of stockholders at the bank's annual meeting on Jan. 10, and by the Comptroller of the Currency. **Price**—$52 per share. **Proceeds**—To increase capital and surplus. **Office**—Newark, N. J. **Underwriter**—None.

Nedick's Stores, Inc.
Nov. 15, 1960 it was reported that a filing of approximately 17,000 shares of common stock is under discussion, but registration is not imminent. **Office**—513 W. 166th Street, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City.

New Orleans Public Service, Inc.
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler.

• New York Central RR. (1/18)
Dec. 5, 1960 it was reported that the road plans the sale of $4,125,000 of equipment trust certificates. **Underwriters**—Salmon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on Jan. 18 at noon (EST).

Northern Fibre Glass Co.
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

Northern Illinois Gas Co.
Nov. 9, 1960 C. J. Gauthier, Vice-President-finance reported that of the $95,000,000 in outside financing that will be required in the next four years to complete a $200,000,000 construction program, an unspecified amount might be raised through a common stock issue in 1961. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., New York, N. Y. (managing).

One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected sometime in December of 300,000 shares of com. stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls Inc., 1 Maiden Lane, New York 38, N. Y.

Orange & Rockland Utilities, Inc.
Oct. 18, 1960 it was reported that the sale of the $10 million of 30-year first mortgage bonds is tentatively expected in April, 1961. **Office** — 10 North Broadway, Nyack, N. Y. **Underwriter**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly).

Otter Tail Power Co. (1/24)
Oct. 21, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of between $6,000,000 to $8,000,000 of 30-year first mortgage bonds is expected. **Office**—Fergus Falls, Minn. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; Glore, Forgan & Co.; White, Weld & Co.

Pacific Lighting Corp.
Nov. 10, 1960 it was reported by Robert W. Miller, chairman, that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961, but that if equity financing is used the amounts won't be high enough to dilute earnings of the common to below the $3.20 per share level. **Office**—600 California St., San Francisco 8, Calif.

Panhandle Eastern Pipe Line Co.
Sept. 28, 1960 it was reported that $65,000,000 of debentures are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing)

Power Chem Industries
Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The company is in the process of organizing and will manufacture additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office** — 645 Forrest Ave., Staten Island, N. Y. **Underwriter** — Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y. **Registration**—Expected in January.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

Puget Sound Power & Light Co.
Nov. 10, 1960 it was reported that the number of authorized common shares had been increased from 3,266,819 to 5,000,000, and that some of the added shares might be issued in 1961. **Office**—860 Stuart Bldg., Seattle 1, Wash. **Underwriter** — Previous financing has been handled by Blyth & Co.

Ram Electronics, Inc.
Nov. 4, 1960 it was reported that a December letter of notification is expected comprising this firm's first public offering. **Office**—Paramus, N. J. **Underwriter**—Plymouth Securities Corp., New York City.

Richards Aircraft Supply Co., Inc.
Oct. 10, 1960 it was reported that a "Reg. A" filing of the company's common stock is expected. **Proceeds**—For expansion and working capital. **Office**—Ft. Lauderdale, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

Rochester Gas & Electric Corp. (3/15)
Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—Tentatively expected on March 15.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Security National Bank of Long Island (1/17)
Dec. 1, 1960 it was reported that the bank plans to issue 97,371 shares of common stock to be offered to stockholders on the basis of one new share for each 10 shares held of record Jan. 17, subject to approval of its stockholders and Comptroller. **Price**—To be set at the annual meeting on Jan. 17. **Proceeds**—To increase capital. **Office**—Huntington, N. Y. **Underwriter**—Bache & Co. (managing).

• South Carolina Electric & Gas Co.
Nov. 14, 1960 C. M. Over, Treasurer, reported that this utility is tentatively planning to issue $8,000,000 of first and refunding mortgage bonds and $5,000,000 principal amount of a new series of preferred stock in March 1961. **Address**—P. O. Box 390, Columbia, S. C. **Underwriter**—To be determined by competitive bidding. Previous bidders for the company's bonds were First Boston Corp. and Lehman Brothers (jointly); Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; and Eastman Dillon, Union Securities & Co. The last preferred offering was negotiated by Kidder, Peabody & Co.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

★ Southern Pacific Co. (1/11)
Dec. 12, 1960 it was reported that the road plans the sale of $8,400,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Bidders: Halsey, Stuart & Co., Inc. and Salomon Bros. & Hutzler. **Bids**—To be received on Jan. 11 at noon EST.

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas. **Underwriter**—Dillon, Read & Co., Inc.

Storer Broadcasting Co.
Sept. 28, 1960 it was reported that a secondary offering is being planned. **Office**—Miami Beach, Fla. **Underwriter**—Reynolds & Co., New York City.

Telescript C.S.P., Inc.
Nov. 14, 1960 it was reported that a letter of notification, representing this firm's first public offering, will be filed shortly covering 60,000 shares of common stock. **Business**—The firm makes a prompting machine for television and an electronic tape editor. **Proceeds**—To expand plant and sales force, enter closed circuit television, repay a $20,000 loan, and for working capital. **Office**—155 West 72nd Street, New York City. **Underwriter**—Robert A. Martin Associates, Inc., 680 Fifth Avenue, New York City.

Texas Gas Transmission Corp.
Dec. 2, 1960, W. M. Elmer, President, stated that the company is planning a $25,000,000 debt and equity financing program for 1961. It is expected that a registration statement covering the proposed financing will be filed in fourth quarter of the year. **Proceeds**—For pipeline expansion. **Office**—Owensboro, Ky. **Underwriter**—Last sale of preferred stock on October 1959 was handled by Dillon, Read & Co., New York.

★ Texas Power & Light Co. (1/24)
Dec. 12, 1960 it was reported that the company plans the issuance and sale of $12,000,000 of mortgage bonds. **Office**—Fidelity Union Life Building, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Lehman Brothers; White, Weld & Co.; Kuhn, Loeb & Co., Blyth & Co. (handling the books), Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly). **Bids**—Expected on Jan. 24 at 11:30 a.m. (EST). **Information Meeting**—Scheduled for Jan. 19 at 11 a.m.

• Trans World Airlines, Inc.
Dec. 8, 1960, it was announced that arrangements had been virtually completed for long-term financing to insure the early delivery of 20 Convair jet aircraft and the financing of the company's present fleet of 27 Boeing 707 jetliners. Under the plan, a total of $165,000,000 will be borrowed from a group of banks and insurance companies and $100,000,000 raised through the sale of subordinated income debentures with detachable stock purchase warrants to TWA stockholders. Hughes Tool Co., holder of 78% of the company's outstanding stock, has agreed to take up its pro rata share of the debentures ($78,000,000) and enough of any unsubscribed debentures to provide TWA with at least $100,000,000. In addition, Hughes Tool agreed to place its 78% stock interest in a 10-year voting trusteeship consisting of three members, representing itself and the senior leaders. **Proceeds**—To give TWA direct ownership of a jet transport fleet. **Office**—10 Richards Road, Kansas City 5, Mo. **Underwriters** — Lazard Freres & Co., Lehman Brothers and Dillon, Read & Co., Inc., all of N. Y. City (managing).

Trunkline Gas Co.
Sept. 28, 1960 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
Dec. 2, 1960 it was reported that the utility has tentatively scheduled a preferred stock offering or a combination debt and preferred offering of about $30,000,000 for late 1961 or early 1962. **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter**—To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co.; Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co. The last sale of bonds in September 1960 was bid for by Lehman Brothers, Blyth & Co. and Bear, Stearns & Co. (jointly); First Boston Corp. and Halsey, Stuart & Co. Inc.

Van Dusen Aircraft Supplies, Inc.
Nov. 1, 1960 it was reported that registration is expected in December of a letter of notification covering 100,000 shares of this firm's $1 par common stock. **Proceeds** — For expansion. **Office** — Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa.

Virginia Electric & Power Co. (6/13)
Sept. 8, 1960 it was reported that the company will need $30,000,000 to $35,000,000 from outside sources in 1961. The financing will probably take the form of bonds and timing will repend upon market conditions. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids** — Expected on or about June 13.

Waldorf Auto Leasing Inc.
Nov. 23, 1960 Mr. Tortorella, company secretary stated that a "Reg A" filing is expected. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriter** — To be named.

Western Union Telegraph Co.
Dec. 6, 1960 it was reported that this company filed a plan with the FCC to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by

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Western Union International of $4,500,000 of senior 15-year debentures to be taken up or placed by American Securities Corp., New York. In addition, about $4,000,000 of subordinated debentures and 400,000 shares of class A stock would be offered to stockholders of Western Union Telegraph Co. American Securities Corp., would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. In addition, Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000. **Office**—60 Hudson St., New York. **Underwriter**—American Securities Corp. (managing).

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Registration**—Expected in December.

Winona Wood Products Co.
Aug. 24, 1960, it was reported that a full filing of class A common stock is contemplated. **Business**—The company makes wood cabinets for household and industrial use. **Office**—Winona, N. J. **Underwriter**—Metropolitan Securities Inc., Philadelphia, Pa.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

★ **Wisconsin Southern Gas Co.**
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

Again Thank God For Senator Byrd!

"I respect the integrity of your views.

* * *

"But I also respect the right of the majority of the Democratic members of the Senate to decline, if they so choose, to nominate for a committee chairmanship a Senator who has issued an open declaration of war against important measures which will come before his committee with the backing of the Democratic convention, the Democratic President, and the majority of Democratic Sentors. . . ."—Senator Joseph S. Clark to Senator Harry Flood Byrd.

There are unfortunately few Senator Byrds in the Senate or, for that matter, in the country, but we do have enough of them to prevent the development of the sort of "monolithic" tyranny of the majority (if it is really a majority) that Senator Clark evidently would like.

Winn-Dixie Com. Stock Is Offered

Public offering of 350,000 shares of common stock of Winn-Dixie Stores, Inc. is being made today (Dec. 15) by a group headed by Merrill Lynch, Pierce, Fenner & Smith Inc. at $27.50 per share. Simultaneously, key employees are being offered 56,000 common shares at $25.95 per share.

The offered shares are being sold for the account of a selling stockholder and no proceeds from the sale will accrue to the company.

Winn-Dixie Stores, Inc. in engaged in the operation of a chain of retail self-service cash-and-carry food stores. With a total of 521 retail outlets in service as of Nov. 12, 1960, the company believes it is the seventh largest food chain in volume in the country. The company also operates 9 wholesale cash-and-carry self-service units. The bulk of its operations are carried on in the South.

For the fiscal year ended June 25, 1960, Winn-Dixie Stores, Inc. reported net sales of $721,532,377. Net income amounted to $15,799,687, equal to $1.25 per common share.

The company has paid cash dividends on its common stock in every year since 1934. The amount of cash dividends paid per share has been increased in each year since 1944. Since January 1953, dividends have been paid monthly, the latest declaration (Dec.) being at the rate of 6 cents per share. For the year ended June 25, 1960, dividends totaled 60 cents.

Capitalization of the company as of Nov. 30, 1960, consists of $6,800,000 3¼% sinking fund debentures; $7,600,000 3¾% sinking fund debentures; and 12,710,000 shares of common stock out of a total authorized 15,000,000 shares.

With Hogan, Ashford

BOSTON, Mass.—Ralph W. Canney is now associated with Hogan, Ashford & Co., Inc., 141 Milk Street.

L. I. Project Over Subscribed

Partnership participations for the fourth and final section of the estimated multi-million dollar, nine-acre Imperial Square development in the center of Hempstead, Long Island, N. Y., have been sold and the books closed, it was announced on Dec. 12 by Ira Sands, Executive Vice President of The First Republic Co., a leading nation-wide real estate investment firm sponsoring the project.

Subscriptions to the final section covering two luxury apartment structures and a modern, air-conditioned office building, which will be the largest and tallest on Long Island, amounted to a cash investment exceeding $4½ million.

This final partnership participation was oversubscribed within the short period of seven work days, Mr. Sands pointed out, adding that each of the previous three sections of the project were also oversubscribed by investors in one week "in what constitutes a rather unprecedented sales record for $6,590,000 of syndicated participations." The shares were sold at $5,000 per unit and $2,500 per half unit. Imperial Square has been one of the largest syndicated offerings ever opened to public participation.

The first unit of Imperial Square is already under construction by Samuel Bernstein & Sons, one of the metropolitan area's leading construction firms and co-sponsors of the giant development.

Mr. Sands said that upon completion of the entire project, investors will own a proportionate interest in the entire land and buildings. This concept of ultimate consolidation in one over-all ownership, he explained, was created by First Republic to provide its investors with the greatest stability and diversification in this large project.

First Republic Co., with headquarters at 375 Fifth Avenue, New York, has underwritten nation-wide properties capitalized at $25.7 million, of which $13,670,000 was financed through equity participation among many thousands of investors. The company's extensive real estate properties include The Engineers Building (Chicago) capitalized at $3.8 million; the Korvette Building (New York City), $3.2 million; the Waltham Engineering and Research Center (Waltham, Mass.), $1.9 million; The Fairfax Building (Kansas City, Mo.), $1.6 million; Peoria Parking Associates (Peoria, Ill.), $1.5 million; the Velvex Mid-City Parking Center (New York City), $1 million; The Allstate Insurance Building (New York City), $388,444; and the Beacon Building (Wichita, Kan.), $350,000.

Joins Moseley Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—Eliot M. Herter is now connected with F. S. Moseley & Co., 50 Congress Street, member of the New York and Boston Stock Exchanges.

Joins H. O. Peet Staff

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Eugene C. Dreyer II has become associated with H. O. Peet & Co., 23 West Tenth Street, member of the New York and Midwest Stock Exchanges.

Joins Merrill Lynch

(Special to The Financial Chronicle)

COLUMBUS, Ohio—James J. Hogan has joined the staff of Merrill Lynch, Pierce, Fenner & Smith, Inc., 48 East Gay Street.

Joins Auld Staff

(Special to The Financial Chronicle)

PORTLAND, Ore. — Malcolm H. Cross is now affiliated with Auld & Co., 1026 Northeast Multnomah.

With Thomas Jay Winston

(Special to The Financial Chronicle)

BEVERLY HILS, Calif. — Robert N. Riley is now with Thomas Jay, Winston & Co., Inc., 9235 Wilshire Boulevard.

STATE OF TRADE AND INDUSTRY

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Atlanta (Ga.), however, did not plan to work the previous day.

The reporting service said Chrysler Corp. may build its 1,000,000th U. S. passenger car since Jan. 1 in the present week, but added that three of the company's plants outside of Michigan may be down during Christmas week to keep dealer inventories in line with sales.

Electric Output 3.1% Higher Than In 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Dec. 10, was estimated at 14,604,000,000 kwh., according to the Edison Electric Institute. Output was 236,000,000 kwh. above that of the previous week's total of 14,368,000,000 kwh. and showed a gain of 437,000,000 kwh., or 3.1% above that of the comparable 1959 week.

Car Loadings Show 19.5% Decline From the Same Week in 1959

Loading of revenue freight for the week ended Dec. 3, 1960, totaled 522,936 cars, the Association of American Railroads announced. This was a decrease of 126 646 cars, or 19.5% below the corresponding week in 1959 and a decrease of 71,948 cars or 12.1% below the corresponding week in 1958.

Loadings in the week of Dec. 3, were 51,536 cars, or 10.9% above the preceding holiday week.

There were 9,208 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Nov. 26, 1960 (which were included in that week's over-all total). This was an increase of 1,856 cars or 25.2% above the corresponding week of 1959 and 3,876 cars or 72.7% above the 1958 week.

Cumulative piggyback loadings for the first 47 weeks of 1960 totaled 505,068 for an increase of 127,633 cars or 33.8% above the corresponding period of 1959, and 254,764 cars or 101.8% above the corresponding period in 1958. There were 55 class I U. S. railroad systems originating this type of traffic in the current week compared with 50 one year ago and 41 in the corresponding week of 1958.

Weekly Business Failures Climb Sharply

Commercial and industrial failures climbed to a new post-war high of 360 in the week ended Dec. 8 from 290 in the preceding week, reported Dun & Bradstreet, Inc. Casualties exceeded considerably the 248 occurring in the similar week last year and also ran far above the 267 in 1958. Some 21% more businesses failed than in prewar 1939 when the toll was 297.

Failures involving liabilities of $5,000 or more rose sharply to 327 from 268 in the previous week and 218 in the comparable week a year ago. There was also an increase among small casualties, those with losses under $5,000, to 33 from 22 a week earlier although they remained close to the 30 of this size last year. Forty-three of the week's failures had liabilities in excess of $100,000 as against 32 in the preceding week.

Tolls ran higher in all industry and trade groups except commercial service where mortality dipped to 23 from 27. Retailing casualties climbed to 178 from 141, wholesaling to 45 from 28, manufacturing to 56 from 48, and construction to 58 from 46. In all lines, more failures occurred than a year ago; in fact, casualties were about half again as heavy as in 1959 in all groups except manufacturing.

Seven of the nine major geographic regions reported upturns during the week. The Middle Atlantic States suffered 109 casualties as against 91 in the preceding week, the East North Central 56 as against 45, the South Atlantic 47 as against 27, and the Pacific 69 as against 59. The week's only decline appeared in the Mountain Region, while the toll in the West North Central States held steady at 15. More businesses failed than last year in all regions, with steepest upswings from 1959 levels occurring in the Middle and South Atlantic States.

Wholesale Food Price Index Unchanged at 1960 High

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., remained unchanged at $6.18 on Dec. 6, which was the highest level so far this year. It was up 5.1% from the $5.88 of the corresponding date a year ago.

Moving upward in wholesale cost this week were corn, rye, oats, barley, beef, hams, bellies, butter, milk, prunes, steers, and hogs. Lower in price were flour, sugar, cocoa, eggs, potatoes, raisins and lambs.

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

Wholesale Commodity Price Index Rises Somewhat in Latest Week

Reflecting price increases on grains, flour, butter, hogs and steel scrap, the general wholesale commodity price level advanced somewhat in the latest week. On Dec. 5 the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., rose to 263.44 (1930-32=100) from the week earlier 262.74, but it was noticeably below the 276.06 of the corresponding date a year ago.

There was a moderate rise in wheat prices reflecting good domestic and export buying on lighter receipts. In line with the rise in wheat, rye prices climbed noticeably from the prior week.

Although the harvest neared completion, the buying of corn moved up and prices finished moderately higher. Although purchases of oats showed little change from the preceding week, prices edged up fractionally. Offerings of soybeans remained small helping prices advance moderately; in addition, both domestic and export demand for soybeans was sustained at high levels and volume in soybean oil and meal advanced.

Despite a slight setback in trading, flour prices advanced fractionally this week; export volume remained close to a week earlier. Rice prices matched those of the prior week, reflecting steady domestic buying and increased export trade; sizable shipments were made to Pakistan and Indonesia. Domestic distribution of rice in October amounted to about 3,207,000 pockets, compared with 2,337,000 in the similar 1959 month.

Although sugar volume remained close to the prior week, prices slipped somewhat. Coffee prices finished the week fractionally lower as trading showed little change from a week earlier. There was a moderate dip in prices on cocoa as trading lagged.

Hog prices edged up a bit this week as supplies were noticeably higher; hog trading was up moderately from the preceding week. Prices on steers remained unchanged and volume was steady. There was a slight dip in lamb prices, despite good volume; lamb supplies were up appreciably.

Prices on the New York Cotton Exchange finished the week unchanged from a week earlier. Exports of lint cotton in the week ended last Tuesday came to about 85,000 bales, compared with 118,000 in the prior period.

Early Christmas Retail Trade Fails to Match Year Ago

Although colder weather in some areas stimulated Christmas shopping over the weekend and helped volume rise appreciably from the prior week, over-all retail trade in the week ended Dec. 7 was down moderately from a year ago. Year-to-year declines in men's and women's apparel, small electric housewares, and major appliances offset increases in furniture, new passenger cars, lamps and gifts.

The total dollar volume of retail trade in the week ended Dec. 7 ranged from 2% to 6% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Middle Atlantic —4 to —8; East North Central —3 to —7; South Atlantic —2 to —6; West North Central and Pacific Coast —1 to —5; New England and West South Central 0 to —4; Mountain +2 to —2; East South Central +5 to +1.

Nationwide Department Store Sales Down 7% from 1959 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Dec. 3, 1960, show a decrease of 7% below the like period last year. For the week ended Nov. 26 a decrease of 2% was reported. For the four weeks ended Dec. 3 a 5% decline was reported. The Jan. 1 to Dec. 3 period showed a 1% increase.

According to the Federal Reserve System, department store sales in New York City for the week ended Dec. 3 showed a 6% drop below the same period last year. In the preceding week ended Nov. 26 sales were unchanged from the same week in 1959. For the four weeks ending Dec. 3 a 5% decline was reported below the 1959 period, and from Jan. 1 to Dec. 3 there was a gain of 1% above the level achieved in the 1959 period.

Special Note: Since sales rise sharply with the approach of Christmas, the fact that corresponding weeks in 1959 end two days nearer Christmas becomes significant in evaluating the year-to-year percentage changes shown above. Because of this date lag, the percentage comparisons tend to be somewhat less favorable than if sales figures for strictly comparable calendar periods were available.

Sterlin Gilmore Joins Chandler & Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Sterling E. Gilmore has become associated with Chandler & Co., 9808 Wilshire Boulevard. Mr. Gilmore formerly conducted his own investment business in Long Beach under the name of S. E. Gilmore Company.

Harris, Upham Adds

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga. — S. Barnard Baumgarten is now with Harris, Upham & Co., 44 Broad Street.

Chapman Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—James C. Groves has been added to the staff of Chapman & Co., Inc., 84 State Street.

Joins Estabrook

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Hugh F. Colliton III is now connected with Estabrook & Co., 15 State Street, members of the New York and Boston Stock Exchanges.

$76,855,000 Bonds Of Housing Units Being Marketed

A group headed by Blyth & Co., Inc., Phelps, Fenn & Co. and Lehman Brothers, in association with The First National City Bank of New York, and a group headed by The Chase Manhattan Bank and Bankers Trust Co., on Dec. 14 offered publicly 20 issues of New Housing Authority bonds according to four scales.

Scale A consists of $5,420,000 Harrisburg, Pa., 3½% bonds and $4,825,000 McKeesport, Pa., 3½% bonds priced from a yield of 1.50% for those due in 1961 to 3.55% for the 1996-2001 maturities.

Scale B consists of $11,500,000 Kansas City, Mo.; $1,980,000 Watervliet, N. Y.; $4,595,000 Cincinnati, Ohio, and $1,810,000 Milwaukee, Wis. bonds. All bear a 3½% coupon and are being reoffered at prices to yield from 1.50% for those due in 1961 to 3.60% for the 1996-2001 maturities.

Scale C consists of $5,530,000 Miami, Fla.; $9.250,000 Chicago, Ill., and $2,625,000 Danville, Va. bonds. All bear a 3⅝% coupon and are being reoffered at prices to yield from 1.50% for those due in 1961 to 3.625% for the 1996-2001 maturities.

Scale D consists of $1,795,000 Milledgeville, Ga.; $1,325,000 Joliet, Ill.; $1,410,000 Glasgow, Ky.; $1,670,000 Sikeston, Mo.; $3,405,000 Hoboken, N. J.; $10,600,000 Puerto Rico; $1,590,000 Union, S. C.; $2,625,000 Lebanon, Tenn.; $1,900,000 Murfreesboro, Tenn.; $1,725,000 Brownsville, Texas., and $1,275,000 Harrisonburg, Va. bonds. The Lebanon, Tenn. bonds carry a 3½% coupon, and all the others bear 3⅝% coupons. Reoffering prices range from a yield of 1.50% for those due in 1961 to a dollar price of 99 for the 1996-2001 maturities.

Rated Aaa by Moody's and AAA by Standard & Poor's, the bonds are secured by a first pledge of annual contributions unconditionally payable pursuant to an annual contributions contract between the Public Housing Administration and the Local Public Agency issuing the bonds in the opinions of bond counsel. The United States Housing Act of 1937, as amended, solemnly pledges the faith of the United States to the payment of the annual contributions by the Public Housing Administration pursuant to the annual contributions contracts.

Cook Coffee Co. Secondary Offer

Goldman, Sachs & Co. heads an underwriting group which is making a secondary offering today (Dec. 15) of 100,000 shares of common stock of Cook Coffee Co. at a price of $18.25 a share. Three selling stockholders will receive all of the net proceeds from this sale. Cook Coffee Co. at Oct. 1, 1960 had 1,209,525 shares of common stock outstanding and $5,636,000 of funded debt.

Cook is engaged primarily in the retail and wholesale grocery business. In addition to its chain of 42 "Pick-N-Pay" supermarkets, principally in the greater Cleveland area, and 671 home service routes in 11 states, Cook operates three warehouses, two coffee roasting plants, a bakery, milk and ice cream plant and a butter-making plant. Supermarket operations presently account for about 80% of sales, home service routes 15%, wholesale 5%.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—One of the foremost ports in America is also one of the most interesting cities of the Western World. The city is old New Orleans.

For weeks now it has had a school crisis on its hands. A few days ago, when many people there were in their shirt sleeves, it seemed that nearly everyone had the school crisis on one's mind, and most of them were hopeful that it would soon be settled.

Although business in the stores was off a little, the streets were crowded. Many of the hotel guests were Spanish-speaking people from neighboring Latin American countries. They came to New Orleans as individuals to do business, export and import, and for other commercial reasons. Some were on vacation.

Despite the school crisis, the city, which is the gateway to Mid-America by virtue of its geographical position on the Mississippi River, is looking hopeful to the future. It is planning a much greater role in export and import trade than it has in the past. Latin America is the natural place to expand that trade which will benefit the Americas — North, Central and South America.

Here in the Nation's Capital our government is more anxious and hopeful than ever before that not only New Orleans, New York, San Francisco, but all other ports of the United States will be able to increase their export business at a marked rate during the next two or three years.

The Payments Problem

Until 1950 we had never had the problem of more dollars flowing out of the United States than in. Now it is serious. We are now trying to reverse this trend and it is not going to be easy.

What brought about this deficit in our balance of payments? For 15 years our whole philosophy was to restore war-torn Europe and help the economy of those countries by providing them with dollars. Then the European countries rebuilt their economies, and now they are competing with us.

Therefore, if we want to keep our armed forces overseas, and if we want to continue letting our tourists go abroad by the hundreds of thousands and let them spend their dollars without any restrictions, then it is vital that export trade be increased.

Of course, the cost of labor in this country has increased so much since World War II that we can buy many things like automobiles, radios and appliances abroad cheaper than we can build them ourselves. Unfortunately, some of the foreign automobiles and good ones too, can be made abroad and shipped to Detroit cheaper than Detroit can turn out similar models.

End Export Discrimination

Both Congress and President-elect Kennedy are going to try and help reverse the flow of dollars. Incidentally, the European countries in particular have got to quit discriminating against our goods if they want us as partners in the future. We now insist that those countries help more in the future.

It may be that we will be forced to reduce our troops abroad. The United States Government pays every penny of support for these troops. The total cost of maintaining our forces overseas is more than $1.5 billion yearly.

The European countries are by no means guilty of shirking their duty in the role of mutual assistance, but they must be made to realize the boom times of American dollars are over.

A few days ago the Senate Small Business Committee conducted a hearing at New Orleans on the question of increased export trade through small business concerns. The committee is studying the possibility of legislation of expanding small business exports.

Role of Ex-Import Bank

One of the stream of witnesses that appeared before the committee, headed by Senator Russell B. Long, of Louisiana, was Samuel C. Waugh, President and Chairman of the Board of Directors of the Export-Import Bank of Washington. The bank has been an independent agency of the Federal Government for almost 27 years.

Mr. Waugh was the first witness who appeared in the Roosevelt Hotel's Gold Room. In words, photographs and charts he told for more than an hour the role the bank is playing to help build dams, power plants, cement plants, and assistance in developing copper and other mining operations in less developed countries.

In turn, Mr. Waugh insisted that those loans are providing for purchases in the United States of machinery, equipment, plus purchases of cotton, wheat and foodstuffs, to name a few items.

The bank is charged with the function of providing financial assistance to the foreign trade of the United States. As background, retiring President Waugh cited the words of the statute that created the bank. The purpose is "to assist in financing and to facilitate exports and imports and the exchange of commodities between the United States and any foreign country or the agencies or nationals thereof.

The Bank's Operations

The bank is authorized by Congress to have outstanding at any one time loans and guarantees in the amount of $7 billion. Since it began its operations, through Nov. 30, 1960, it has authorized more than $10 billion of loans and guarantees. Some were not used, however. It has disbursed $7.4 billion. Repayments total $4.2 billion. Loans outstanding amount to $3.2 billion. Commitments not yet disbursed equal $1.7 billion. Earnings from the loans amount to $650,500,000 (after payment of all administrative expenses, interest on borrowed funds and dividends on capital stock) have been set aside as reserves for future possible losses. Losses thus far have amounted to $2,900,000.

Officials at the Treasury, Commerce and now the State Department are deeply concerned by the continuous imbalance of international payments. The State Department normally of course is interested primarily in diplomatic matters, but the department is now concerned with fiscal affairs.

Mr. Waugh, who announced his retirement as head of the bank, sometime before the Presidential election, said there is a misconception sometimes held regarding one aspect of the bank's activities. He maintains that no application has ever been denied because the amount involved was too small. The smallest credit authorized thus far was one for $550, and the largest loan to a private corporation (copper mining operations in Peru) was $100,000,000 and to a government $550,000,000.

Most of the credits and guarantees the Export-Import Bank make grow out of applications from United States exporters seeking assistance in making a credit sale to a specific customer abroad. Congress in 1958 authorized the bank to issue insurance, against the risk of loss due to war or expropriation, on stocks of United States goods held abroad on consignment awaiting sale. So far a total of 3,428 policies (through private insurance companies) have been issued on 711,741 bales of cotton, and 77 policies on 12,046 hogsheads of tobacco.

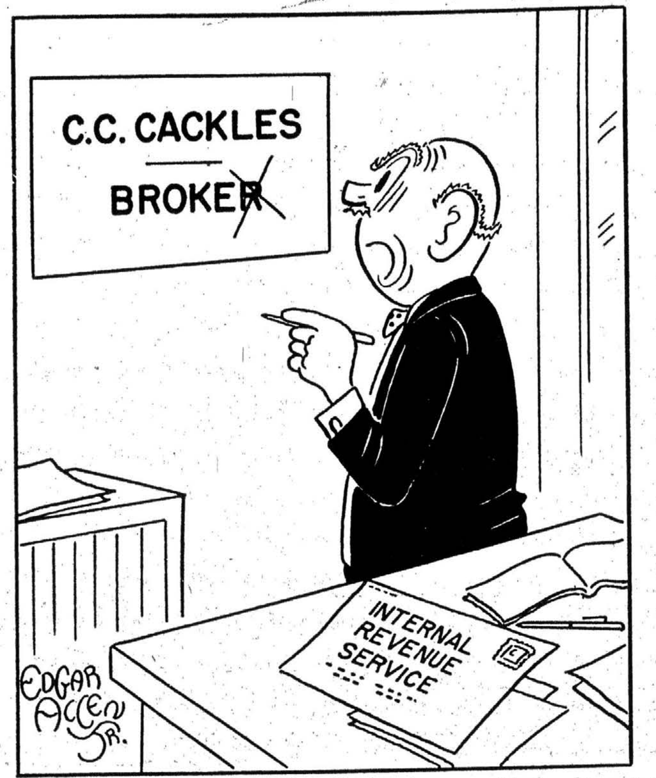
Indicative of the improved economic situation in Mexico, is the fact that this neighbor and important customer, is now paying back its loans to the United States faster than it is being loaned. In all of Latin America, the Eximbank has loaned more than $4 billion and over half of it has been paid back.

Tough Problem

The Small Business Administration admits that we have some big barriers to overcome in getting more export business. The SBA, through Donald A. Hipkins, Deputy Administrator, testifying before the Senate Committee at New Orleans, made this pertinent observation:

"In many lines, I believe, we must admit that price-wise United States exports cannot compete with the products of manufacturers from Switzerland, West Germany, Italy, Sweden and Japan. In even some of these lines, however, the price factor may be overcome through higher quality, longer life, better maintenance and availability of spare parts."

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



COMING EVENTS

IN INVESTMENT FIELD

April 12-13-14, 1961 (Houston, Tex.) Texas Group Investment Bankers Association annual meeting at the Shamrock Hilton Hotel.

June 22-25, 1961 (Canada) Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Oct. 16-20, 1961 (Palm Springs, Calif.) National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.) Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

J. A. Hogle Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Richard A. Bagley has been added to the staff of J. A. Hogle & Co., 428 North Camden Drive.

With Eastman Dillon

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—John L. Devlin, Jr., has joined the staff of Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard.

Two With Merrill Lynch

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Terry M. Johnson and Owen K. Jones have become affiliated with Merrill Lynch, Pierce, Fenner & Smith, Inc., 523 West Sixth Street.