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Editorial AS WE SEE IT

"Federal programs aimed at supporting or improving the economic position of particular groups or industries should be constantly re-evaluated in the light of changing circumstances. Whatever their initial justification, subsidy programs should be so contrived as to eliminate the necessity for their continuation." These sentences are taken from a report of a committee of a Democratically controlled Congress and published three years ago or thereabouts. A comparable committee of the 86th Congress still Democratically controlled has just published a report entitled "Subsidy and Subsidylike Programs of the U. S. Government." It should be studied with the utmost care by the Democratic Administration now about to take office with full control of both houses of Congress. This committee carefully explains that the facts it has had laboriously gathered together are not to be construed as suggesting condemnation of any of the multifarious programs set forth. It does, however, believe that further action on any of these or future action on any other "subsidy or subsidylike programs" should be taken in light of the information it here presents.

With this latter statement we heartily agree. All of the facts here included are worthy of careful and more realistic study than they are likely to get—or so we fear. Some of the mass of data here assembled is particularly worthy of the most careful thought by all who have the good of their country at heart. Three years have elapsed since the quoted sentences were written and published, three years in which the Democratic party has been in full control of both houses of Congress—and three years in which the White House would have cheerfully cooperated in any sincere effort on the part of the legislative branch to reduce such outlays as these—although we must say frankly that President Eisenhower did not show the ardent desire that we should have liked in this matter of curtailing these often quite inexcusable burdens on the taxpayer. What happened during those three years? The Committee, as might be expected, found it difficult to define the term subsidy *(Continued on page 27)*

Analysis of Sources and Uses Of Funds in the Year Ahead

By Dr. Jules I. Bogen,* *Professor of Finance, New York University*

Gleaning uncovers no evidence of a reversal in downward interest rate trend this year. Concludes any further substantial rate decline is more apt to occur in the short rather than the long end of the market. Marked out are the compositional changes in the demand for and supply of funds and developments that could change the prospect depicted. Life Insurance Association is gently chided for failing to draw logical conclusions from its excellent forecast for 1960, and explained is the phenomenal long term interest rate rise of 1959.

Before projecting the uses and sources of funds for 1961 a post mortem is in order on experience with this most basic tool for appraising the outlook for interest rates in the recent past. Projections of the demand and supply of funds that appeared late in 1959 indicated very clearly the decline in interest rates which has occurred this year. Total demands for funds in 1960, these projections showed, would decline by more than one-fourth from the record level of 1959. But the experience of the past year demonstrated that, to benefit from projections of the uses and sources of funds to appraise the trend of interest rates, we must use these statistics with courage, with judgment and skill. The need for courage in using these projections was dramatically illustrated in December, 1959, when interest rates were at the highest levels recorded in a generation or longer. The Life Insurance Association of America, which makes excellent annual projections of the total uses and sources of funds each December, forecast a decline of $12 billion in the total demands for funds for 1960.

Dr. Jules I. Bogen

This projection by the Life Insurance Association of a sharp drop in the demands for funds accurately foreshadowed the decline of interest rates that followed. Yet, in presenting this projection to its members the Association concluded, "It is difficult to see how interest rates can decline appreciably in 1960. It seems likely that rates will at least remain firm at about present levels and that there is a good chance that they may go a little higher next year"—meaning for 1960.

Unless we have the courage to conclude that a $12 billion drop in the demand for funds in one year must lead to lower interest rates, regardless of what we would like to see, then projecting the uses and sources of funds is not going to be of much help in running an investment portfolio.

Long-Term or Total Demands?

An instance of the need for judgment in using projections of uses and sources of funds, in appraising the outlook for interest rates was the wide difference in the projection of demand for long-term funds and for total funds for 1959.

Demands for long-term funds alone were only 6% larger in 1959 than the year before. Despite the small size of the rise in demand for long-term funds, long-term interest rates rose quite sharply during 1959, as you know. What was the reason?

The reason was a huge rise in short and intermediate-term borrowing by the Treasury, by business and by consumers. This great upsurge in short-term demand lifted the total demand for funds by a whopping 30% over 1958. If you look back through the years, you will see there are times when projections of long-term uses of funds alone give the correct clue to what long-term interest rates will do; and there are other times —1959 is the best example—when the total demand for funds gives the only *(Continued on page 26)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 31.

The Security I Like Best...

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

ANTHONY ROBERTS
Research Dept., Purcell & Co.
New York City
Members New York Stock Exchange

Barnes Engineering Company

All objects whose temperatures are above absolute zero emit infrared radiations without any man made stimulation. The higher the temperature of a given object, the greater the intensity of emitted radiations. These bare facts about infrared radiation were known for 160 years, but they are just now being put to use in a wide range of areas, particularly by military and other government services. The reason for the military interest is obvious. Sputnik signalled the end of the airplane age and ushered in the missile era. Missiles can streak over several continents and oceans in a matter of minutes. From a defense standpoint, these speedy missiles are fast outmoding present warning systems and are jeopardizing our defensive network. Infrared warning systems have two major advantages over conventional ones. First, infrared systems are passive, that is, they do not send out signals that can be jammed. Secondly, missiles emit tremendous amounts of heat and in effect stand out like a sore thumb when viewed through an infrared eye. Infrared devices also can be used in offensive applications, and these are under study.

Anthony Roberts

Barnes Engineering Company, headed by Dr. R. Bowling Barnes, founder and chief executive officer of the company and a pioneer in the field of infrared technology, makes the most diversified line of components and instruments for the detection, measurement and analysis of infrared radiations. These include among others thermistor bolometers, radiometers, trackers, infrared cameras, spectrometers and Horizon Sensors. they are used to track a missile at blastoff and in the air, to detect a nose cone on reentry into the atmosphere, to position and guide missiles in space, for research in connection with the operation of nuclear installations and in numerous other applications. A non-infrared device developed and made by the company, the Photoelectric Autocollimator, is used to assist in the alignment of the Polaris missile before it is fired from a submarine.

Research and development have comprised the bulk of the company's activities since its earliest days, and this area will account for about half of its revenues for many more years. The bulk of this work has been and continues to be done under Cost-Plus-Fixed-Fee contracts for military and other government agencies. The major portion of this is directed toward the development of outer-space infrared instrumentation along these two lines: (1) Positioning and control of missiles. (2) Data gathering.

In positioning and control, the Barnes Horizon Sensor, perhaps the most unique infrared development in recent years, sensed the position of earth and turned on the TIROS I and II weather satellites' cameras while they took pictures of weather conditions around our planet. An advanced Horizon Sensor will keep the Project Mercury Astronaut's capsule from tumbling when man takes his first ride through space within the next year or so. Further out in space, a Barnes device will take over the giudance of the Venus and Mars space probes when these missiles come within 100,000 miles of those planets.

In data gathering, a Barnes developed Spectro Radiometer aboard the TIROS II measured the temperature distribution over the earth and helped advance man's knowledge of weather conditions on his own planet. Barnes' radiometers are now used to take temperature measurements of our oceans with the view of ultimately discovering effective anti-submarine warfare methods using infrared detection. The space probe missiles will carry Barnes developend devices to study atmospheric conditions surrounding our sister planets. In addition, the company is at work on data gathering devices in connection with anti-missile programs, but the nature of these are kept under wraps for security reasons.

Coming down to earth finds Barnes engineers busy on more mundane matters which will find increasing uses in commercial fields. The knowledge and experience gained by the company's scientists as a result of government R & D work has and will come in mighty handy in the development of commercial infrared instrumentation. A modified version of the Horizon Sensor, for instance, is now undergoing field tests in gauging applications. Barnes is developing an advanced device to detect overheated journal bearings and alert railroad crews against impending train wrecks. But commercial exploitation of the latter is held up pending the outcome of a suit against Barnes and General Electric for alleged patent infringements. Other commercial developments are in progress.

Sales of Barnes Engineering have been rising at a hectic pace, jumping sixfold in the past four years. Over the next several years, its sales are expected to grow on average at rates better than that of the economy as a whole and about in line with the fastest growing industries. For the current fiscal year ended June 30, 1961, volume will likely rise 25% ahead of last fiscal year's to $4.5 million, and at that rate will tax present facilities. By the end of the current fiscal year Barnes expects to increase its facilities by 75% in order to take care of its foreseeable space requirements.

Earnings have also increased over the years but not in the same fine progression as sales. Variations in the earnings trend reflect changes of two kinds: (1) The percentage of R & D volume under CPFF contracts. (2) The amount of money spent on company sponsored research. The latter reduces current earnings, but it lays the groundwork for far greater beneifts in future years. In the fiscal year ended June 30, 1960, when their ratio of CPFF to Fixed Price and other contracts was 50-50, the company earned 62c a share after charging off 12c a share in company sponsored research expenditures. In this fiscal year, the CPFF-FP ratio will run about 60-40, or a net of approximately 50 cents a share, and the company plans to spend a larger sum on company sponsored research in an effort to expand more quickly into the commercial area where profit margins are larger and potentials greater. Thus, for the current fiscal year, despite sharply higher sales, earnings will likely be below those of the previous fiscal year.

But neither sharp sales gains, nor variations in earnings, nor a widely diversified product line tell the whole story about Barnes Engineering. The slowly developing infrared industry is in its infant and perhaps most explosive stage of growth. Though accurate statistics are not readily available since infrared devices are used mostly by government agencies and spending for these items is lumped under broad procurement and research contracts, several tentative studies indicate infrared shipments may rise anywhere from three- to five-fold over the next five years. Such fast growth by its very nature practically insures fast sales gains; but it also suggests rapid product obsolescence. A company in this field must literally run to stay in the same place.

Barnes Engineering is fortunate in holding a commanding position in the fast growing field of infrared radiation and in the fact that Dr. Barnes, through his pioneering spirit and keen business judgment, has attracted many outstanding scientists and engineers. The company's growth, though rapid, is nevertheless limited by the lack of additional technical personnel necessary to explore the many avenues open to infrared instrumentation, particularly in the commercial field, since most of its present technical staff is busily engaged in high-priority defense business. The company is seeking more technical help and welcomes applications from all comers. As an additional means of overcoming its man-power limitations, Barnes Engineering is considering the possibilities of potential acquisitions.

Technical considerations, though important to Barnes Engineering, are not the only significant ones. A company is in business to make money for its stockholders by the most effective and direct route and to lay the basis for sustained future growth. On this score, Barnes Engineering has some excellent attributes. I visited the company on several occasions during the past few years, and I was impressed with the functioning of the entire entity, technical and business alike. Technical skills are of the highest caliber. Management is alert and efficient, fully grasps the opportunities presented to the company and recognizes the significance of change and improvement as a necessary function of good, long range planning.

There are many more factors upon which I can dwell in order to present a more fully rounded picture of the company. But space requirements limit such efforts. The foregoing summary of the company's operations and its area of operations points up some of the reasons why I like Barnes Engineering. The stock is listed on the American Stock Exchange.

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

We Don't Want Another Less Than Full-Scale Recovery

By Dr. William F. Butler,* *Vice-President, The Chase Manhattan Bank, New York City*

Economist for one of the country's largest banks concentrates on how we should achieve a "full prosperity" instead of the incomplete recoveries of 1956-57 and 1959-60 once our current recession ends—which he predicts for mid-1961. Dr. Butler advises: (1) setting our sights high to elevate our economic thinking; (2) reversing our declining investment modernization rate; (3) better utilization of our economic tools to further our national economic policies, which he outlines, such as contra-cyclical tax rates, liberalized depreciation allowance and tax reform; and (4) expanding trade while redressing our balance of payments. Other problems touched lightly are education, urban areas, debt and job opportunities. None of these problems discussed is meant to hide or belittle the growth forces at hand. Dr. Butler wants us to take the hard choices leading to the opportunities for unleashing economic growth and prosperity.

I should explain at the outset that I take an optimistic view of our economic prospects. I am an optimist, not from any visceral feeling, but because I believe the solid facts support the view that the nation faces great opportunities for economic advance and prosperity.

William F. Butler

Yet we will not achieve this glorious economic future by a complacent acceptance of the status quo. Our nation confronts serious challenges at home and abroad. To arise to these challenges will require hard and intelligent work on the part of all members of our society as well as realistic national policies that contribute to sound prosperity and growth.

1960 Experience

Experience during the past year underlines the fact that we cannot expect to achieve prosperity by sitting back and waiting for it to happen. Many remember the glowing accounts in the public prints about a year ago which heralded the Soaring Sixties. With the steel strike ended, 1960 was supposed to be a boom year with demand pressing against productive capacity and with serious inflationary pressures.

However, no boom developed. Industrial production reached a peak in January, held on a high plateau through July and then moved moderately lower. Thus, the nation entered its fourth postwar recession in general business activity.

What happened to bring on a recession rather than a boom? It seems to me that the underlying explanation is that the nation has been undergoing the adjustments involved in shifting from an era of inflation to one of general price stability. Instead of building inventories as a hedge against price increases, business turned early in the year to cutting inventories. This move to economize on inventories explains much of the downward pressure on industrial production.

At the same time, business expenditures for new plant and equipment did not move ahead vigorously. The usual explanation for the lag is the fact that many businesses are plagued by excess capacity. But I believe the process of adjusting to price stability has also been important. Costs have been increasing, while prices have been stable, so that profit margins have been squeezed. Business management faces the tough job of working to increase efficiency and cut costs in order to restore profit margins. And the nation is learning that, in an atmosphere of general price stability, wage increases cannot outpace the gain in the economy's efficiency.

Experience in the past year also raises the question as to whether national economic policies, especially tax policies, may not need to be adjusted to make possible economic growth with price stability. I'll return to this problem later.

This process of adjustment to stable prices, while difficult in the short run, may be a necessary step in preparing to meet the challenges of the Sixties.

Future Trends

To turn from these general considerations to the question of the outlook for general business in the period immediately ahead, look at trends in the areas of the economy that make up our total production of goods and services, or our gross national product:

Consumer expenditures for non-durable goods and services have shown a remarkable steady upward trend in recent years. They've gone up 5.3% per annum in current dollars and 3.1% in constant dollars. These expenditures, which make up 57% of gross national product, are highly recession-resistant. In our postwar economy, consumer income has been maintained during recessions, supporting spending for non-durables and services. In the year ahead—that is, from the third quarter of 1960 to the third quarter of 1961—these expenditures could rise by at least $7 billion at an annual rate.

Government purchases of goods and services, which make up one-

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OBSERVATIONS...

BY A. WILFRED MAY

ON POLICING "THE LITERATURE"

The rash of "How to Make a Million" books, with this week's abortive Court ruling on the action brought by New York State Attorney General Lefkowitz against their best-seller, highlight the continuing problems obstructing restraint in inflammatory stock market writings. The difficulties encompass the accompanying promotion as well as the literary gems themselves.

The proceeding, which will be renewed on appeal, against the itinerant acrobatic dancing author, Nicolas Darvas, and the publishers of "How I Made $2,000,000 in the Stock Market," depends on the State of New York's flimsy securities law. It is necessarily based on the Martin Act, which vaguely empowers the Attorney General to "uncover fraudulent practices relating to transaction or any course of business involving investment advice."

Stemming therefrom, the Prosecutor has been basing his action on the double charge that (1) *investment advice* which is (2) *fraudulent*, occurs in the book and accompanying plugs. The legal difficulty in proving both of these prerequisites, namely, the technical role of investment adviser and the practice of legal fraud, is now strikingly exemplified. Is the author-dancer, abetted by his publisher, acting as an investment adviser; or is the public merely buying another entertaining success story (fictional if need be)?

State Supreme Court Justice Henry Epstein has upheld the latter alternative ("the book cannot reasonably be termed to be included in the definition of 'investment advice'"); along with *freedom of the press*.

Higher Court proceedings will also determine whether the fraud tent can be stretched to cover legal effectiveness, even if, as charged, the millions were not really garnered — either taxably or non-taxably; im many of his transactions were suppressed from the book; if collateral loans were made; or if he did not actually follow his own "system"?

The legal definition of *fraud*, after describing it as "any artifice or deception practiced to cheat, deceive, or circumvent another to his injury [sic]," adds the crucial limitation, "no action can be maintained for fraud unless damage can be proved."

More analogous to our instant items seem the dictionary's non-legal descriptions, as Trickery. The priests sometimes practiced all sorts of *frauds* upon their credulous followers, by pretending to swallow live coals, and to pierce their bodies with knives.

The Plugging and Blurbing

Particularly abusive, and difficult to control, is the present-day blurbing, plugging, and other promotional advertising of the "Fast-Buck" books along with the various Services. Following are typical random examples of such come-ons being foisted on the lay readership.

(From the jacket of Dancer Darvas' tome, embroidered by a picture showing him tossing his partner-sister aloft midst ticker tape): "This extraordinary book makes available for the first time one of the most unusual success stories in the history of the stock market, along with a full explanation of the amazingly successful investment methods which brought an actual profit of over $2,000,000 in an 18-month period. . . . He's not a stock-market professional trading on inside information or devoting full time to stocks. No, he is one-half of the most exciting international dance team in show business, DARVAS AND JULIA. . . . Yet this man who started as a complete beginner . . . who often was performing in remote corners of the world far from Wall Street, was able to make himself a millionaire several times over by his unique investment methods **that worked regardless of whether the market rose or fell.** [In bold face despite the fact of the accompanying greatest bull market in history.] Never before has any private individual revealed his financial dealings so completely and openly . . . above all, the specific investment methods that cost so much in money and sweat to develop. [Unclear whether dance or bar sweat.]" The Court apparently felt either that this does not denote *investment advice*, or that the book's publisher does not comprehend its content.

(And under the streamer of a newspaper advertisement): "This extraordinary first-person book vividly shows you how Darvas painfully developed the methods that finally brought him a fortune . . . and shows exactly how you can start profiting from the first day."

Generous and confident money-back guarantees (if the buyer runs into fast-buck snags), were offered. Under the exciting caption, "LATE BULLETIN," the advertisement continues "tests have shown them [Darvas story and methods] to be so effective that we have no hesitation in sending you a free examination copy under the unprecedented DOUBLE GUARANTEE shown below. You can return the book after two weeks' perusal, without obligation"; and, additionally "Even if you keep the book, you can return it any time for a year and receive unquestioned refund, if not completely satisfied with [sic] your improved investment results."

While the Court has ruled that, legally this and our previous citations do not involve the author as an "investment adviser"; non-legally is surely constitutes a silly hoax. Disillusioning results will not be compensated for by the saving of the $4.95 purchase price. (We have been informed of a novel use of the money-back routine: in silencing nasty inquirers about the unmentioned income tax incidence on those profit millions).

(From the newspaper advertising of another best seller). Under the streamer: "———'s New Book Reveals His Stock Market Forecasting Secrets." It accompanies the "Past Performance" come-on, via an intriguing 1949-60 chart, with this bold legend, "Your Final Opportunity to Realize Big Market Profits. His was the service which turned bullish in 1949, and forecast—consistently and without deviation — the rising Primary Trend of stock prices."

The Soaring Services

Another nettlesome problem in this get-rich-quick area, is presented by the flamboyant alluring advertising of the Services. Typical is the following appearing, as we are writing this, in a leading newspaper (which is most meticulous in maintaining rigid advertising standards in its other sections):

"Our Editors [sic] Believe This Stock Will Be One of the Most Exciting Electronics 'SLEEPERS' in the Market Today to Buy For a Minimum 100% Profit Objective. In the last two years there has been practically nothing to match the spectacular gains of the electronics stocks. Buying most of them, however, would have been far too risky for the average investor. And only one *particular* kind of electronic stock offered both reasonable safety and great capital gain potentials: Stocks like:

Stocks	From	To	Profit
Beckman Instrument	18⅛	74	308%
Ling Altec	16	42½	155%
Cenco Instrument	6½	30	500%

These had been well-established companies. Then 'glamour' was added by new product development in dynamic fast-growth areas of the electronics business . . . earnings shot up and the stocks soared.

NOW — A Similar Situation That Could Duplicate These Rises

Yes, we believe *this one* electronics 'sleeper' has much of what Beckman, Ling and Cenco had—and in some ways *more.* Few investors know about the basic change in this company—yet. But judging from past history, situations with as much hidden potential as this company appears to have, *do not go unnoticed for long."*

* * *

Semantic trickery seems to be invading advisory promotion more and more. Example, the exploitation of high-fallutin term "Research" to camouflage the good old-fashioned concocting of hot tips.

WHAT REMEDY?

Study and practical inquiry reveal no readily available means of eliminating these two categories of blurbing.

It might be assumed that the vesting of control over book advertising with the author would be effective. But, surprisingly, we find that in cases where the publishing contract specifically calls for such clearance, the misleading and otherwise abusive fanfare is not abated. Apparently the author's usual integrity is also submerged in the promotional zeal.

(The cover of the book of recordings of Burton Crane's volume "The Sophisticated Investor" sabotages its serious and constructive content with the "sweetening" banner captions, *Stock Market Profits . . . Learn the Money-Making Secrets of the Pros"*).

Self discipline by the press is proven insufficient, and at best non-uniform. At one pole, we have a national popular weekly magazine refusing to accept advertising from Mutual Funds sponsored by brokerage firms; and on the other extreme are the flamboyant items cited above.

The Stock Exchange's rules requiring the clearing of newspaper advertising by member firms, and radio-TV talks after they have been made, have a limited coverage.

Prohibition derived from the *legal* approach is necessarily haphazard or completely futile. Remedy via additional state legislation is not possible in the light of the *interstate* nature of the commerce; and a Federal statute controlling advertising is out of bounds on "realistic" as well as legal grounds.

Greater SEC control of this nature over registered Investment Advisers refused by the Congress in the past, may, as urged in the **Landis Report on Regulatory Agencies,** be instituted by the New Administration. But its effectiveness will be limited by administrative and coverage difficulties.

* * *

Affirmatively, we suggest the formulation of a code of ethics and rules arrived at via conference between prepresentatives of the publishers and either the Securities and Exchange Commission or the Federal Trade Commission (The F. T. C. in 1948 assumed jurisdiction over, and stopped technical misrepresentations by one of the Book Clubs).

Another "Statement of Policy"

The Industry-Government conference technique could well follow the precedent established by the Statement of Policy, jointly arrived at by the Mutual Fund Industry and the SEC. Created in 1950, amended in 1957, and revised in 1959, it has raised the standards of the Funds' sales literature, with the inclusion of curbs on *past-performance* charts,* advertising and other promotional abuses. This cooperative arrangement has been quite effectively administered through the National Association of Securities Dealers ("The N. A. S. D.").

Admittedly, this remedy could only function as a partial solution in the promotional area; and would not at all touch on the book-content problems. Actually, the fundamental solution as in treating with other major financial abuses, lies in *education*. Our American mores are, unfortunately, not gearable to reliance on *caveat emptor* (let the buyer beware), at least to the extent existing in European countries. Nor can we depend on the British type unwritten ethical code and self-imposed discipline.

But intensive **education of the investor** concerning the abuses and pitfalls, combined with the suggested quasi-legal code of conduct, could go far in curtailing the present "literary masterpieces."

*The following anti-hindsight caveat is prescribed for the accompaniment of past-performance charts: "This period was one of generally rising common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the fund today."

Kuhn, Loeb Inc. Names Officers

Kuhn, Loeb & Co. Incorporated, 30 Wall Street, New York City, announced the appointment of Benjamin F. Feldman, Alvin E. Friedman, John S. Guest, Jerome S. Katzin, John T. Monzani and H. Spottswood White as Vice-Presidents and the appointment of William H. Todd as Vice-President and Manager of the Syndicate Department.

The State of TRADE and INDUSTRY

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

In its discussion of the proper measures needed to revivify the economy, the January *Monthly Bank Letter* of the First National City Bank of New York, makes the following observations:

"This month, with the advent of a new Administration and the opening of another legislative session, the Congress will consider many programs designed to ensure a fuller utilization of our productive potential, speed our economic growth, and protect our industrial leadership among the nations. It is a challenging problem, finding ways to stimulate the economy without setting off an inflationary surge that will price American goods out of foreign markets and create a flight from the dollar.

"The objective is not simply one of trying to prevent a deepening business recession; we have already at work cushioning factors such as rising unemployment compensation payments, a swing of the Federal budget position toward a deficit as a result mainly of continuing decline in corporate profits, and a readier availability of credit following the November-December reductions in bank cash reserve requirements.

"The larger objective should be to release the power of a free enterprise economy and accelerate our forward momentum in a lasting way.

"The experience in dealing with the 1958 business recession shows us that the combination of enlarged Congressional appropriations and a cheap money policy would be at once inappropriate and inadequate. We got out of the business recession all right but at the cost of a $12 billion Federal deficit, a collapse of an overbulled bond market, an outburst of inflationary fears, and the initiation of a major gold outflow which still has not completely run its course. And even though we achieved new peaks of production and employment in 1959-60, the vigor of the economy did not assert itself in full force, as evidenced in the complaints about our economic growth and areas of under-utilization of labor and plant resources.

"There is imperative need to find a better way, one that avoids an aftermath of problems and gives promise of sustained and balanced prosperity to be shared by all sectors of the economy.

"One environmental condition, necessary in any case, is a recognition by trade union leaders that prosperity requires profits as well as wages and employment, and capital expenditure as well as consumption expenditure. No line of policy can give us a stable dollar together with high levels of employment if we are going to have continuing pressures of employment costs eating into profit margins and compelling price advances which result in reduced sales. This is the road to stagnation.

Getting Down to Fundamentals

"If this essential condition is fulfilled, it should be possible to find a new and better fiscal approach to stimulate the economy. Despite the pre-election talk of the benefits of cheap money, there is a widening recognition that we placed too much emphasis on cheap money and increased Federal expenditures during the 1958 business recession, and have suffered by neglecting the possibilities of stimulating the economy by tax changes. We have a great deal to learn out of successes abroad with fiscal programs which offered tax concessions while keeping restraint on government expenditure.

"Moreover, we may recall that tax reductions helped immensely in raising the United States out of both the 1949 and 1954 business recessions. Well-designed tax measures can give a sustained boost to the economy and in particular to those activities that generate revenues. The opportunity to stimulate activity by tax reform is great because we have inherited, from the wars, a system which puts penalties on progress."

Bank Clearings for Week Ended Dec. 31 were 14.8% Above Same Week Last Year

Bank clearings in the week ended Dec. 31 showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicated that clearings for all cities of the United States for which it is possible to obtain weekly clearings were 14.8% above those of the corresponding week in 1959. Our preliminary totals stand at $26,318,176,398 against $22,922,226,318 for the same week in 1959. Our comparative summary for the leading money centers for the week follows:

Week End. Dec. 31—	1960 (000s omitted)	1959	%
New York	$15,021,298	$11,934,506	+25.9
Chicago	1,201,202	1,172,648	+ 2.4
Philadelphia	1,027,000	1,026,000	+ 0.1
Boston	756,640	736,363	+ 2.8

New Orders May Speed Up Steel Industry Recovery

Recovery from the holiday slump in steel output may be speeded up by a flurry of orders mills received in late December, the metalworking magazine *Steel* said on Jan. 2.

As inventory liquidation tapers off during the first quarter, steel production will rise to meet consumption — but consumption will stay at a low level until the weather improves and construction picks up.

Last week, operations dropped to an estimated 39.4% of capacity, the lowest level of operations for a nonstrike period since Christmas week of 1938. However, last week's output of 1,122,000 ingot tons was double that produced 22 years ago.

Anticipation of improved steel output is reflected in the slightly stronger iron and steel scrap market, the metalworking weekly said. Expectations are that scrap demand will increase soon. Prices are up $1 a ton at some points.

Steel's price composite on No. 1 heavy melting grade last week rose 33 cents for the second straight week. It now stands at $29.33 a gross ton.

This year's steel production will probably be close to 1960's 99 million ingot tons, *Steel* reported.

First quarter output will gradually trend upward. The second and third quarters will follow normal seasonal patterns — the second up moderately as construction and canning accelerate, the third off somewhat because of vacations in metalworking plants and model changeovers in the auto industry.

The fourth quarter should be the best of the year—partly for seasonal reasons and partly because of a general upswing in the economy.

A moderate price hike is almost a certainty this year because steelmakers absorbed higher wage costs on Dec. 1, 1960, with a resultant shrinkage of profits. Most observers think a move will be made either in the second quarter, when market conditions are more favorable, or in October, when the steelworkers get another wage increase.

In the first half, most major nonferrous metal producers expect to see a continuation of weak prices, spotty demand, some overproduction (and probably production curtailments), and a virtual end to customer inventory workoff. The second half, believe

Continued on page 42

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The past week has been a feverishly active one in almost every form of endeavor from the superficialities of celebration to the ominous political and revolutionary antics refocussed in Cuba and Laos. There has been plenty to keep most people busy celebrating, working, reading and pondering.

However, most of us in the municipal bond business have not been kept too busy plying our trade during this holiday period. The market has been firm if not active. In the absence of new issue negotiations and voluminous tax swap business, dealers have been u n i n h i b i t e d celebrants through their knowledge that portfolios were being moderately reduced or at least modestly marked up.

Good Profit Year

Moreover, the week has been a quietly happy one for most municipal bond dealers because it terminates a calendar period that has been quite profitable. Although there have been many more profitable years for dealers, 1960 has been a good year with but little of the anguish that has accompanied several of the calendar years since World War II. The dealers' clients could be quite happy, too, about the 1960 year. Most of their purchases showed a profit by year-end. And so 1960 has quietly and happily passed on as a very nice municipal bond year.

Statistics indicate that for the week ending Jan. 4, municipal bond prices changed but little. The *Commercial and Financial Chronicle's* high grade general obligation bond yield Index remained about unchanged from the previous week's average; 3.2307% against 3.230%. Although numerically unchanged, the market evidenced a continuance of the firm tone that has persisted for many weeks.

Heavy Volume of Potential Business

We are impressed by the volume of state and municipal bond issues approved at referendum during 1960. Much of this, approximately $6 billion of volume, will come to market during the next few years, along with the volume of non-voted bond issues. This record volume emphasizes the rapidly increasing demand for services and facilities. Increased population has abruptly focussed the need and even the demand for educational, water, sewer, law enforcement, fire protection, welfare, safety and recreational programs in almost every sizable community, county, district or regional area.

These fast growing areas have not been able to offset these new and increased costs entirely through a growth in assessed valuations. Unfortunately, the debt load factor has outstripped such gains and tax bills are inevitably increasing. As local government budgets have increased relatively, so have those of the various states. There is naturally a tendency on the part of our state legislatures to shift some of the financial burdens progressively accruing, back to the local government units. The increasingly heavy cost of welfare is a pertinent example of this financial conflict. Thus, the entire governmental credit structure is being strained to a point not experienced in recent financial history.

The heavy over-all or overlapping debt situation leaves little room for the flexibility or leverage that may have obtained to governing bodies in the past. Despite the fine record of state and municipal credit, it must be recognized that the current level of public debt, budgets, and tax rates may soon begin to challenge this traditional excellence.

Revenue Bonds Increase in Investment Stature

In this vein, the field of revenue obligations seems to be gaining some. For years now the so-called revenue bonds have been generally derogated by many investors unthinkingly. Most of these issues, and particularly the toll road and bridge revenue category, got off to a very slow start. Revenue patterns set up by the engineers did not develop in many instances as fast as projected. This tendency has been largely overcome and most of the projects are now doing well. Many are now buying for sinking fund.

These bonds have protective safeguards that have been increasingly recognized by thoughtful investors and the resultant has been increased marketability for a majority of these bond issues. It is of no compelling significance, but our view is served by again pointing out that the toll road grouping of tax-exempt bonds made greater market headway during 1960 than did the state and municipal group, as measured by most of the yield indexes.

Buying Opportunities Ahead

With United States gold holdings down $88 million, for the last reporting period, to the lowest level ($17.8 billion) since 1940, and with further difficulties emerging in both Laos and Cuba, quotations for U. S. Treasury obligations have been easier since the year-end. This would not seem to presage any important easing of the general bond market. Treasury refinancing presents no immediate problem and demands from the corporate sector of the bond market seem to be moderate for the near term. Tax-exempt financing promises to crowd that phase of the bond market at least during early 1961 and probably for most of the year. On balance, the flow of funds should adequately handle this situation.

However, institutional buying is known to be flexible and sensitive to the spacing and timing of large new issue flotations. It seems likely that the heavy calendar developing for the next 60 days may afford buyers relatively favorable opportunities. Through Feb. 15 the apparent calendar would seem to total more than $650 million. It seems unlikely that investors will take this concentration of volume on a market upswing.

Large Offerings on Tap

Important recent additions to the calendar include: $63,450,000 New York State (1962-2011) bonds for Jan. 17; $47,550,000 Baltimore, Md. various bonds for Feb. 15; $11,000,000 Montgomery County, Md. (1962-1991) bonds for Jan. 17; $5,000,000 San Diego, Calif. (1962-1991) bonds for Jan. 24; and $5,000,000 Henrico County, Va. (1962-1981) bonds for Jan. 18. There appear to be no important negotiated type deals ready for marketing.

The street inventory situation has changed but little during the past month. On Dec. 29 the *Blue List* total was $377,615,200; currently the total is reported at $366,778,500 state and municipal bonds. A year ago the *Blue List* municipal bond total was about $300,000,000. The *Commercial and Financial Chronicle's* yield average was then at 3.68%, representing a market average about six points lower than today's figure. The calendar a year ago was also quite heavy. There can be no conclusive deductions drawn since most of the answers will derive from a new set of political and economic imponderables. However, more careful, more selective institutional buying should keep yields from diminishing in view of the supply.

In closing it seems pertinent to report that $10.8 million Trenton, N. J. serial bond issues, which sold on Nov. 3 last, had been reduced in volume to a balance of about $1.5 million as of Jan. 4. As indicated at sale time, the offering was well received by investors generally. The balance of bonds maturing from 1979-1985 was cut 15 basis points. It is reported that the re-offering was quickly taken.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.65%	3.50%
Connecticut (State)	3¾%	1980-1982	3.25%	3.10%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.30%	3.15%
New York (State)	3%	1978-1979	3.15%	3.00%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.90%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.15%	3.00%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.55%	3.45%
New York City, N. Y.	3%	1980	3.65%	3.50%

January 4, 1961 Index=3.2307

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Jan. 5 (Thursday)			
Connecticut	28,980,000	1964-1989	11:00 a.m.
Fulton County, Ga.	14,525,000	1962-1987	Noon
Hattiesburg Municipal Separate School District, Miss.	1,835,000	1962-1981	2:00 p.m.
Hidalgo County, Texas	1,000,000	1962-1990	10:00 a.m.
Minneapolis, Minn.	2,000,000	1963-1980	10:00 a.m.
Toledo City School District, Ohio	6,000,000	1962-1984	Noon
Jan. 6 (Friday)			
Belleair, Florida	1,250,000	1962-1991	11:00 a.m.
Jan. 9 (Monday)			
Canton Township Sch. Dist., Ohio	1,250,000	1962-1983	Noon
Concord, California	1,070,000	1962-1989	8:00 p.m.
Hurst-Euless-Bedford Sch. Dist., Texas	1,000,000	1961-1985	8:00 p.m.
Medina, Ohio	1,225,000	1962-1981	1:00 p.m.
Port of New Orleans, La.	17,000,000	1966-1996	2:00 p.m.
Jan. 10 (Tuesday)			
Los Angeles Sch. Dist., Calif.	30,000,000	1962-1986	9:00 a.m.
Louisville, Ky.	4,800,000	1962-1973	4:30 p.m.
Mobile Board of Water & Sewer Commission, Alabama	3,000,000	--------	--------
Mount Holly Township School District, N. J.	1,100,000	1962-1981	8:00 p.m.
Oyster Bay Water Districts, N. Y.	1,449,000	1961-1985	11:00 a.m.
Tacoma, Wash.	1,400,000	1963-1971	3:00 p.m.
Washington County, Wis.	1,600,000	1962-1976	10:00 a.m.
Jan. 11 (Wednesday)			
California (State of)	95,000,000	1963-1987	10:00 a.m.
Gainesville, Fla.	1,000,000	1962-1984	Noon
Independence School District, Mo.	1,200,000	1962-1976	11:00 a.m.
Lewiston, Maine	1,850,000	1962-1991	2:00 p.m.
Reading, Pa.	1,830,000	1963-1970	11:00 a.m.
Jan. 12 (Thursday)			
Davidson County, Tenn.	4,200,000	1962-1981	Noon
Jackson County, Mich.	1,750,000	1961-1972	10:00 a.m.
La Crosse, Wisconsin	1,150,000	1962-1971	2:00 p.m.
Livonia School District, Mich.	4,440,000	1962-1990	8:00 p.m.
Jan. 16 (Monday)			
Northern Illinois University, Ill.	7,500,000	1963-2000	2:00 p.m.
San Luis Obispo Sch. Dists., Calif.	1,215,000	1965-1986	2:00 p.m.
Seattle, Washington	7,500,000	1963-1981	10:00 a.m.
Jan. 17 (Tuesday)			
Alhambra City High Sch. Dist., Calif.	4,569,000	1962-1981	9:00 a.m.
Camden, New Jersey	1,230,000	--------	1:00 p.m.
Columbus City Sch. Dist., Ohio	7,000,000	1962-1981	Noon
Covina Valley Unified Sch. Dist., Calif.	1,268,000	1962-1986	9:00 a.m.
Excelsior Union High Sch. Dist., Calif.	1,388,000	1962-1986	9:00 a.m.
Montgomery County, Md.	11,000,000	1962-1991	11:00 a.m.
New York State	63,450,000	1962-2011	--------
Oregon	30,000,000	1976-1978	--------
Pulaski County Sch. Dist., Ark.	1,500,000	1961-1974	10:00 a.m.
Sturgis, Mich.	1,000,000	1961-1978	8:00 p.m.
Suffolk County Water Authority, New York	3,000,000	1962-1993	Noon
Jan. 18 (Wednesday)			
Contra Costa County Water Dist., Calif.	12,840,000	1963-1996	--------
Henrico County, Va.	5,000,000	1962-1981	Noon
Holland, Mich.	1,600,000	1961-1985	7:30 p.m.
Lincoln Parish School Districts., Louisiana	1,840,000	1963-1981	11:00 a.m.
Madison Local Sch. District, Ohio	1,700,000	1962-1981	1:00 p.m.
Pennsylvania State Public School Building Authority, Penn.	23,000,000	--------	--------
Rapid City, South Dakota	1,500,000	1963-1981	--------
St. Louis County, Mo.	2,447,000	1962-1981	--------
Van Wert City Sch. Dist., Ohio	1,920,000	--------	--------
Jan. 19 (Thursday)			
Marion, Ind.	4,000,000	1962-1996	11:00 a.m.
Santa Rosa County, Fla.	1,550,000	1962-1981	10:00 a.m.
Vista Irrigation District, Calif.	1,200,000	1964-1981	11:00 a.m.
Jan. 24 (Tuesday)			
Alamance County, North Carolina	1,700,000	1962-1978	--------
Maryland	20,303,000	1964-1976	--------
Milwaukee, Wis.	8,495,000	--------	--------
Morgan City, La.	2,100,000	1962-1981	8:00 p.m.
New York City	76,500,000	1962-1991	11:00 a.m.
San Diego, Calif.	5,000,000	1962-1991	10:00 a.m.
Jan. 25 (Wednesday)			
Lake Charles, La.	1,000,000	1963-1986	10:00 a.m.
St. Louis, Ferguson-Florissant Sch. District No. R-2, Mo.	2,000,000	1963-1980	8:00 p.m.
Upper Sandusky Exempted Village School District, Ohio	1,375,000	--------	--------
Jan. 31 (Tuesday)			
New Mexico	8,000,000	1962-1969	2:00 p.m.
St. Bernard Parish Sch. Dist. No. 1, Louisiana	2,000,000	1963-1986	11:00 a.m.
Feb. 2 (Thursday)			
Wayne County, Livonia Drain Dist. No. 2, Mich.	1,715,000	1962-1990	10:30 a.m.
Feb. 7 (Tuesday)			
Arapahoe County Sch. Dist. No. 6, Colo.	1,285,000	--------	--------

Well Circulated Stocks

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

Publishing a few investor-slanted facts about two brilliantly successful magazine companies — Time, Inc., and The New Yorker Magazine, Inc.

The inspiration for this article came from a perusal of *Time Magazine*, the January 2 edition, saluting not the "man-of-the-year" but 15 of them, all outstanding in the frontiers of science. All of a sudden it dawned on me that I'd never written anything at all about magazines, so I lunged into my statistical grab bag and came up with sandwich material enough for an article about two of them, *Time* and *The New Yorker*. It turns out that they're just as good investments as they are magazines. Time, Inc. gets the first treatment because it surfaced first.

Time, Inc.

Time, Inc. is a remarkable organization. It has paid dividends without interruption since 1930. Its publications include some of the most illustrious and widely read magazines in the world. *Time Magazine*, the earliest, now has a weekly circulation base of 2,550,000 plus about 600,000 for the international edition. *Life*, which gives us a weekly panorama of the world in picture and prose, now has a weekly circulation base of 6,700,000 plus over 350,000 for the international edition. *Fortune*, the monthly bible of business and finance, has a net paid circulation of above 330,000. A business biography in *Fortune* is like getting an honorary doctorate. *Sports Illustrated*, which many savants said would never survive, has roared ahead with a circulation base, as of Jan. 1, 1961, of 950,000 (against net paid circulation for 1959 of 891,000).

The launching of each of these magazines, and bringing them along to great circulations, success and profitability, illustrates better than paragraphs of praise, the quality, sagacity, salesmanship, literary savvy, and money making propensities of an enormously gifted and perennially excellent management team under Head Coach, Luce.

Today *Life* leads all American weekly magazines, by a wide margin, in circulation, and *Time* is tops in weekly news magazines. And there is no reason to believe that any of these periodicals has stopped growing or reached a saturation point. *Fortune* has become a status symbol for the business man, and *Sports Illustrated* should continue its rocketing rate of growth as more and more Americans have leisure time for sports and watching them. The upsurge in bowling alone is enough to pin down tens of thousands more in paid circulation.

To give you some idea of the magnitude of this Time, Inc. operation, total revenues for 1959 were $271.3 millions which were converted to $4.60 per share of net earnings on the 1,955,779 common shares outstanding. (There is $44.5 million of long term debt ahead of this equity.)

While earnings at Time Inc. have been impressive, there was a dip in net, in 1957 and 1958, below the peak earnings ($7.10 per share) racked up in 1956. This was due in part to the business recession, and in part to rising costs of printing, paper and postal rates. Further, to animate circulation, there were some slight reductions made in the price of *Life* on the newsstand and for annual subscription, during this period.

The earnings curve, however, turned up again in 1959, and continued thus in 1960. Something moderately above $4.60 per share is expected in the annual report. Advertising rate increases, recently posted, should further expand earnings in 1961.

Something should be said, too, about *Time's* other activities. It operates TV and radio stations in Minneapolis, Denver, Grand Rapids, and Indianapolis; owns a paper company and a half interest in another; and has a 45% equity in its own shiny new skyscraper in the Rockefeller real estate enclave in mid-town New York. Time-Life has a book publishing company, too, that is moving ahead with great velocity. Some 16 titles are in the editing rooms and art work ateliers right now. No small books these, but big tomes like Churchill's memoirs, and encyclopedic books, rich in color, picture and prose, telling all about the world and the Universe we live in. With the renowned gift of *Time* for production of concise colorful prose, and a huge stable of highly gifted writers on tap, or on call, book publishing at Time, Inc. may add exciting new dimensions to future earning power. Nothing is hotter today in the canyons of finance than a talented publishing enterprise.

For the investor, Time, Inc. offers a seasoned common stock paying an indicated dividend of $3.25 and selling (over-the-counter) at 84. The resurgent earnings power and the possibility that the shares may, in due course, be listed on a major exchange, and perhaps split, are attractions suggesting a bright future. With a broader, more active market and more widespread investor sponsorship, Time, Inc. common could conceivably sell at a substantially higher price/earnings ratio than 17 times net.

The New Yorker Magazine, Inc.

The New Yorker is like no other magazine in the world. Sophisticated, sleek, subtle, satirical, humorous, literate and urbane, it attracts and retains an elite, knowledgeable and opulent readership. Its subscription renewal rate of 75% is about tops in the business. But quite apart from the traditional reader enthusiasm for, and dedication to, the pages of *The New Yorker* is the less well known fact that *The New Yorker* is a whale of a successful business enterprise. Since 1951 its advertising income has risen 120% on a circulation rise of less than 25% in the period. In the same interval net profits, after taxes, have risen 265%. The stock of The New Yorker Magazine, Inc. is a legitimate "growth" stock by any standards, yet it has received but scant attention from investors. A common stock increasing net earnings by over 15% annually compounded and one that carries down to net over 10% of gross earnings, deserves, we would think, a second look.

In addition the company balance sheet reveals a magnificent solvency. At the 1959 year-end cash and securities swiftly convertible into same were $8.2 million against current liabilities of only $2.6 million. Capitalization couldn't be simpler. There are no long term debts, debentures or bank loans; just 272,564 shares of capital stock held over 1,100 contented stockholders. They should be contented. Their stock earned $7.29 in 1959, and will no doubt show a significant gain for 1960. Dividends historically have been generous. Current declarations are 60 cents quarterly with an indicated $2 extra.

All of the foregoing would seem to document an investment of unique attraction. There seems to be no reason to believe that the *New Yorker* has, by any means, maximized its market or its earning power. It appears to have plenty of growth left. *The New Yorker* has not "driven" for circulation as have almost all other major periodicals. If management set itself to an intense subscription drive, using well proven advertising and direct mail techniques, there is no doubt that circulation could be pushed substantially ahead. In the affluent and status seeking society in which we live, such a culture-slanted magazine, laced with considerable snob appeal, can swiftly gain a myriad of new adherents.

On the market side, the fact that *New Yorker* common is selling at a high price (around 115) should not dissuade consideration of its merits. No particular effort has been made to popularize the stock and, as an unlisted item, trading is not active nor is there any public record of transactions. Most stocks selling over 100 these days are candidates for splitting. Should *New Yorker* common be split it would no doubt attract a broader following. In any event it would seem conservatively priced in relation to earnings of around $7.50 per share.

The current market trend, favoring publishing company shares, places Time, Inc. and The New Yorker in line to achieve increasing investor popularity; while the competence of management and the upthrust in earnings in each instance, give solid documentation of the quality and potentials of these unique equities.

New Becker Office

DALLAS, Texas—A. G. Becker & Co. Incorporated has opened a branch office at 1055 Hartford Building under the management of Lester E. Frankenthal III, who has been elected an Assistant Vice-President of the firm.

Boston Inv. Club To Meet Jan. 12

BOSTON, Mass.—The Boston Investment Club will hold its first dinner meeting of the New Year at 5:30 p.m., Thursday, Jan. 12, at The Harvard Club. The speaker will be the distinguished financial analyst, Hamilton Bolton. Mr. Bolton is co-founder of the investment consultant firm of Bolton, Tremblay & Company, of which he is now President and director. He has been affiliated with many financial groups in the past, and is Vice-President and director of the UBS Fund of Canada, Limited. His topic will be, "A Look at 1961, Investment-Wise."

Hamilton Bolton

Underhill Named By Hugh Long

ELIZABETH, N. J. — Richard C. Underhill has been elected Assistant Vice-President of Hugh W. Long and Company, Inc., Westminster at Parker, sponsors of Fundamental Invesors, Inc.; Diversified Investment Fund, Inc. and Diversified Growth Stock Fund, Inc. Mr. Underhill, who will continue his duties in the sales department, has been with the company since 1954 and had earlier experience in the investment advisory and public relations fields.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aerospace Companies — Survey with particular reference to **Boeing Airplane, Grumman Aircraft Engineering, Martin Company, McDonnell Aircraft, Northrop Corp.,** and **United Aircraft Corp.**—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

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

Cement Companies — Report — Reynolds & Co., 120 Broadway, New York 5, N. Y.

High Yield Stocks — Bulletin — Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Holidays—1961—Edition of booklet listing holidays in the **U. S. A.** and its possessions—International Department, Manufacturers Trust Company, 55 Broad Street, New York 15, N. Y.

Investments in 1961—Review and outlook—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

Japanese Market — Review and outlook for 1961 — Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is a report on **Honda Motor Co., Ltd.**

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Nissan Motor Co., Ltd.,** and **Kirin Brewery Co., Ltd.**

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

Market Commentary—Bulletin—Winslow, Cohu & Stetson, Incorporated, 26 Broadway, New York 4, N. Y.

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

1961 Common Stocks — Report — Hornblower & Weeks, 40 Wall Street, New York 5, N. Y.

Outlook for Market—Discussion—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Over-the-Counter Index — Folder **showing** an up-to-date comparison **between the** listed **industrial stocks** used in the Dow-Jones **Averages** and the 35 over-the-**counter** industrial stocks used in **the National** Quotation Bureau **Averages,** both as to yield and **market** performance over a 20-**year** period — National Quotation **Bureau,** Inc., 46 Front Street, **New York 4,** N. Y.

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

Publishing Industry—Report—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Railroad Bonds — Report — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a memorandum on **Botany Industries, Inc.**

Reinvestment Suggestions for 1961 —List of moderate priced stocks—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Savings & Loan Associations Traded Over the Counter—Report —New York Hanseatic Corporation, 120 Broadway, New York 5, New York.

Tax Exempt Bonds — 1961 outlook —Park, Ryan, Inc., 70 Pine Street, New York 5, N. Y.

Year-End Review—Bulletin, with suggestions for investment—Penington, Colket & Company, 70 Pine Street, New York 5, N. Y.

Year-End Review and Outlook—With recommended common stocks — Bulletin — Fahnestock & Co., 65 Broadway, New York 6, New York.

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Acme Electric Corp. — Memorandum — Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

Acme Electric Corporation — Report—Hooker & Fay, 221 Montgomery Street, San Francisco 4, Calif.

American Can Company—Analysis—Grunthal & Co., 50 Broadway, New York 4, N. Y.

American Rubber and Plastics Corporation — Report — The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis.

American Telephone — Data — Stearns & Co., 72 Wall Street, New York 5, N. Y. Also in the same bulletin are data on **Vitramon Inc.**

Amphenol Borg Electronics Corporation—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **American Broadcasting-Paramount Theatres** and **Controls Company of America.**

Armco Steel—Review—Gerald S. Colby, 31 Milk Street, Boston 9, Mass. Also available is a review of **Pan American Sulphur.**

Atlantic Gas Light Company—Analysis—A. G. Becker & Co. Incorporated, 60 Broadway, New York 4, N. Y.

Automatic Retailers of America—Report — Sutro & Co., 210 West Seventh Street, Los Angeles 14, Calif. Also available are reports on **Walt Disney Productions** and **Hunt Foods & Industries.**

Bell Co. — Memorandum — Irving Weis & Co., 141 West Jackson Boulevard, Chicago 4, Ill.

Beneficial Standard—Report—Robert H. Huff & Co., 210 West Seventh Street, Los Angeles 14, Calif. Also available are discussions of **Nationwide** and **Von Hamm-Young.**

Boeing Airplane—Data—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **American Can.**

Branson Instruments—Analysis—James Anthony & Co., Inc., 37 Wall Street, New York 5, N. Y.

Camco, Inc.—Memorandum—Dittmar & Company, Inc., 201 North St. Mary's Street, San Antonio 5, Texas.

Celotex—Chart analysis—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a chart analysis of **Gulf Oil.**

Combustion Engineering—Report —Shields & Company, 44 Wall Street, New York 5, N. Y.

Congregation of the Third Order of St. Francis of Mary Immaculate, Joliet, Ill. — Bulletin — B. C. Ziegler and Company, Security Building, West Bend, Wis.

Consolidated Water Power & Paper Company—Review—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis. Also available are data on **Eagle Food Centers** and **Simplicity Manufacturing** and a list of suggested stocks.

Electric Bond and Share Company —Analysis—Hallgarten & Co., 44 Wall Street, New York 5, N. Y. Also available is an analysis of **American & Foreign Power Company.**

Electronic & Missile Facilities Inc.—Bulletin—Hardy & Co., 30 Broad Street, New York 4, N. Y.

Family Finance—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Jones & Laughlin.**

Food Fair Stores, Inc.—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Worthington Corp.**

Frito Co.—Memorandum—Eppler, Guerin & Turner, Fidelity Union Tower, Dallas 1, Texas. Also available is a memorandum on **Time, Inc.**

General Instrument — Bulletin—Westheimer & Company, 326 Walnut Street, Cincinnati 2, Ohio. Also available are data on **Heyden, Newport Chemical** and **Interchemical.**

Great American Life Underwriters Inc.—Analysis—Wm. H. Tegtmeyer & Co., 105 South La Salle Street, Chicago 3, Ill.

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

International Mining Corp. — Analysis—Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass. Also available are reports on **Cities Service Co., Stouffer Corp., Bell & Howell** and **Radio Shack Corp.**

Litton Industries — Review — Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available is a review of **Philadelphia & Reading Corp.**

New York Clearing House Association — Bulletin on deposits, distribution, etc.—M. A. Schapiro & Co., Inc., 1 Wall St., New York 5, N. Y.

Philadelphia & Reading Corp.—Report—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Reon Resistor Corp. — Report — H. B. Crandall & Co., 82 Beaver St., New York 5, N. Y.

Republic Aviation — Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Skil Corp.—Analysis—Blunt Ellis & Simmons, 111 West Monroe St., Chicago 3, Ill.

Southwestern Life Insurance Co. — Memorandum — Dallas Union Securities Co., Adolphus Tower, Dallas 2, Texas.

Textron Inc. — Analysis — W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Tractor Supply Co. — Memorandum—R. W. Pressprich & Co., 48 Wall St., New York 5, N. Y.

Triumph Storecrafters — Memorandum—Alessandrini & Co., Inc., 11 Broadway, New York 4, N. Y.

Ventures Limited — Analysis — Ross, Knowles & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Washington Gas Light Co.—Review — Auchincloss, Parker & Redpath, 2 Broadway, New York 2, N. Y. Also available is a review of **National Fuel Gas Co.** and **Northern Natural Gas Co.** and a memorandum on **Richfield.**

Wilson Brothers—Memorandum—H. E. Herman & Co., 115 Broadway, New York 5, N. Y.

Now Hagen Investments

OKLAHOMA CITY, Okla. — The firm name of Hagen & Smith Investments, 820 N. E. 73rd Street, has been changed to Hagen Investments. Ed J. Hagen is principal.

Bergmann & Co. Formed

SAN ANTONIO, Texas — Ely I. Bergmann is engaging in a securities business from offices at 215 North Flores Street under the firm name of Bergmann & Co.

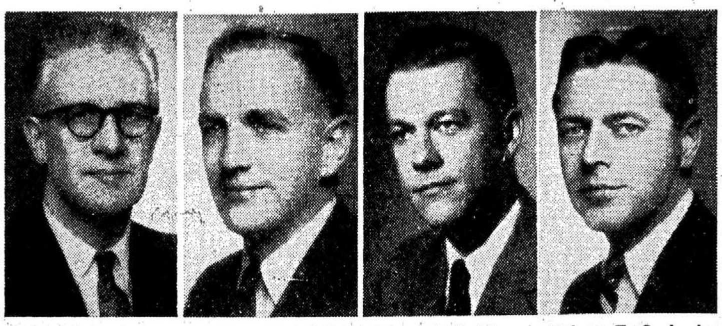
Kusay Forms Co.

HARVEY, Ill.—Louis F. Kusay is conducting a securities business from offices at 15801 Halsted St. under the firm name of Kusay Securities Co.

Forms Matthew Investm'ts

BROOKLYN, N. Y. — Bernice Gordon is engaging in a securities business from offices at 4011 Kings Highway under the firm name of Matthew Investments.

Smith, Barney Co. Admits Partners



Max F. Brubaker William R. Grant Edmond N. Morse Robert F. Seebeck

Smith, Barney & Co., 20 Broad Street, New York City, members of the New York Stock Exchange, have announced that Max F. Brubaker, William R. Grant, Edmond N. Morse, Roland H. Schuerhoff, and Robert F. Seebeck have become partners in the firm.

Ralph B. Johnson and W. Edwin Williams have retired as general partners and have become limited partners.

Pershing Co. Adds E. D. Etherington

Pershing & Co., 120 Broadway, New York City, members of the New York and American Stock Exchanges, has admitted Edwin D. Etherington to general partnership in the firm effective January 3. Mr. Etherington was formery Vice-President of the New York Stock Exchange. Before joining the Stock Exchange in 1956 Mr. Etherington practiced law with the Washington, D. C. firm of Wilmer & Broun, and later with Milbank, Tweed, Hope & Hadley, New York.

E. D. Etherington

Woodcock, Moyer Names Edison VP

PHILADELPHIA, Pa.—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad Street, members of the New York and Philadelphia-Baltimore Stock Exchanges, have elected Matty Edison Vice-President. Mr. Edison has been with the firm for some time and prior thereto was with Hallowell, Sulzberger, Jenks, Kirkland & Co.

Peterson V.-P. Of Wm. Pollock

SAN FRANCISCO, Calif.—Ronald F. Peterson has been elected a Vice-President of Wm. E. Pollock & Co., Inc, underwriters and dealers in state, municipal, revenue and corporate bonds. Mr. Peterson will make his headquarters in the firm's San Francisco office, 315 Montgomery Street.

With Amott, Baker

Amott, Baker & Co. Incorporated, announce the admission of the following fully Registered Representatives to the New York, Bristol, Conn. and Naugatuck, Conn. offices: John Zipay (New York); David B. Cohen (Naugatuck); Clifford Swanson (Naugatuck), and Michael Joseph Sexton (Bristol).

Amott, Baker & Co., Incorporated, members of the New York and American Stock Exchanges has maintained its principal office at 150 Broadway, New York, N. Y., for the past 27 years.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

A powerful drive is underway to have President-elect Kennedy give an appointment to Clyde T. Ellis, the country's leading public power lobbyist. He is the head of the National Rural Electric Cooperative Association which he organized himself, but which now has more than 8,000,000 members.

The drive at first was to have him appointed Secretary of the Interior, but Kennedy chose another public power apostle, Congressman Udall. Now the effort is to have Ellis made Under-Secretary. With two public power men running the department it would be a sad day for the private power interests. Whether Ellis is appointed to the Under-Secretaryship or not, he and his organization will exercise a tremendous influence over the department.

Ellis came from Bentonville, Arkansas, and served in Congress under the New Deal. He was defeated for re-election. He saw the opportunity to organize the electric co-op members during the war. He claimed they needed representation in Washington to get copper wire. He gets 2 cents a meter from every user of co-op electricity in the country, and publishes a magazine which carries ads from big business firms.

The Association's annual meetings are attended by some 8,000 delegates. It elects and defeats Congressmen, according to their attitude on rural electric co-ops. It succeeded in keeping an interest rate of 2% on borrowings which the REA makes from the Government, while the Government has to pay 4% and 4½% for the money.

President Eisenhower tried unsuccessfully to get this raised to the amount that the Government has to pay for its money.

President-elect Kennedy is committed to the further development of public power. President Eisenhower maintained a partnership policy whereby the Government and the private power companies would work together in developing waterpower projects.

Ellis is now working on a system of vast Federal power projects stretching from Passamaquoddy up in Maine to the presently prompted Rampart Dam on the Yukon River in Alaska.

Lyndon Johnson is one of Ellis' chief antagonists. Back in 1948 Johnson became angered at the pressure being exercised in favor of Leland Olds, an old public power hand, to be a member of the Federal Power Commission. Johnson denounced Ellis' tactics on the floor of the Senate and succeeded in defeating Olds' confirmation 53 to 15. Johnson is supposed to be opposing Ellis' appointment to the Under-Secretaryship of Interior.

* * *

Thirty-two teachers of history at 23 American universities have signed a letter to President-elect Kennedy asking him to recognize Red China and East Germany.

Mr. Kennedy is told that he should not let himself be handcuffed by the policies of previous Presidents. This is the time for boldness, he is assured. This is, therefore, the time to sign a disarmament treaty with Russia, even though we receive no assurance of adequate inspection.

What reason is there to believe that the recognition of Red China will lead to a satisfactory solution of the Formosan question? Or that the recognition of East Germany will settle the Berlin problem? Or that in the absence of inspection the Communists will keep their word on atomic weapons and armament reduction? What is there in the record to invite the conclusion that the concessions we are asked to make will still their appetite for more lands to rule and more people to abuse?

* * *

President-elect Kennedy early in the session is expected to press for a tax liberalization of plant equipment replacement. He announced in his campaign that he favored accelerated depreciation to encourage modernization of our capital plant. Organized labor is opposed to it but several influential members of Congress are for it and so is the President's Commission on National Goals.

An accelerated depreciation was vigorously advocated at the last session by a special Senate Sub-Committee on Small Business headed by Senator John J. Sparkman of Alabama. Sen. Capehart, of Indiana, plans to reintroduce his bill providing for accelerated depreciation.

The country had such a law a few years ago but it was repealed when agitation against it became too strong. Now, in more sober deliberations, there are influences in Congress who think we did wrong on that occasion.

De Voe V-P. of Harriman Ripley

Raymond F. De Voe has been elected a Vice-President and director of Harriman Ripley & Co., Incorporated, 63 Wall Street, New York City, it was announced by Stuart F. Silloway, President. Mr. De Voe will devote his efforts to the development of new business.

Mr. De Voe earlier in his career had his own investment banking house and later was director and Senior Vice-President of the Robert Gair Company. In 1956 when Robert Gair Company merged with Continental Can Company, Mr. De Voe became Vice-President and director of that company.

Laird & Co. Elects V.-Ps.

Dudley A. Anderson, Josiah M. Scott and E. Newbold Smith have been elected Vice-Presidents of Laird Company, Corporation, member firm of the New York Stock Exchange.

Mr. Anderson will make his headquarters in New York at 61 Broadway and Messrs. Scott and Smith will be located in the firm's Wilmington, Del. office, in the Nemours Building.

J. D. F. Oakes Opens

TULSA, Okla.—John D. F. Oakes is conducting a securities business from offices at 5138 South Peoria.

Challenge of Better Labor-Management Relations

By Arthur J. Goldberg,* *Secretary of Labor Designee, General Counsel, United Steelworkers of America and Special Counsel, AFL-CIO*

Alarmed at the increasing polarization between labor and management at a time when the Kremlin confronts us with an all-out cold war and economic challenge, the newly designated Labor Secretary-to-be proposes a tri-partite Council to improve labor-management relations. It would consist of an equal number of eminent, public-spirited, labor, management and public representatives, served by a full-time staff, to advise and recommend, but not preempt the bargaining process, nor assume political or legislative functions, nor undertake compulsory arbitration. Mr. Goldberg warmly recalls and compares his concept to the War Labor Board; welcomes the endorsement of this approach by Mr. Charles Cox, Chairman of Kennecott Copper Corp.; and looks to the Council to chart economic growth programs, to advance business enterprise and labor, and to define the role of government, labor and management in implementing full employment and production.

I appreciate this opportunity to address the Congress of American Industry sponsored by the National Association of Manufacturers. It is a welcome development that an assembly so constituted should include in its agenda a discussion of better labor-management relations, both from the union viewpoint as well as that of management. A joint discussion of this kind is wholesome because it has been my experience that, apart from the collective bargaining table—not the best forum for a frank and objective exchange of views—there is little joint expression of opinion between labor and management. More frequently, management and labor express their views almost everywhere except together.


Arthur Goldberg

I am sure that I do not exaggerate in surmising that meetings of the NAM ordinarily have a host of participants already convinced that the labor movement and liberal politicians are the root of all evil.

I can say from experience, that the participants at labor conventions, eloquently assert that reactionary businessmen and conservative politicians are responsible for all their troubles.

So both labor and management talk to themselves in their conventions, adopt their fixed positions, and hurl their neatly mimeographed resolutions over the fence to the opposition, who, in turn, "answer" them.

The opportunity which you have so generously afforded me to exchange views therefore imposes a special responsibility on me to speak as forthrightly and as objectively as I can on the subject assigned: "The Challenge of Better Labor-Management Relations."

Improvement Needed

Labor-management relations in our country need bettering! They are not good!

After more than 20 years of collective bargaining in our major industries, we reasonably might have expected the establishment of mature labor-management relations. By mature labor-management relations, I mean, understanding and good will on both sides, ability of each side to see the problems of the other; and mutuality of efforts to reach solutions beneficial to both and in the public interest.

During World War II, under the prod of stern national necessity, and during the immediate postwar period, under the simulus of a burgeoning and rapidly expanding economy, we seemed to be on the road towards achieving mutual respect and understanding between labor and management, at least in the organized industries. But recently, we seem to be retrogressing, rather than progressing, in understanding.

Management is tougher; unions are tougher; and the end product has not been good for either side or for the public. If anyone doubts that this is an accurate description of the labor-management scene, I have only to mention the 116-day steel strike of last year to prove my point.

From the labor viewpoint, this hardening of management attitudes is regarded as part of a newly developing industry philosophy to replace genuine acceptance of and cooperation with unions by a program of labor-management relations keyed to keeping unions at arm's length, of working with unions as little as possible, of seeking wherever practicable to get around the union to its members, rather than to deal with the union as a living institution. This philosophy of labor-management relations deems unions as necessary evils rather than constructive partners in achieving harmonious and productive labor-management relations.

Management's Viewpoint

From the management viewpoint, if I may presume to interpret it, the hardening of management attitudes grows out of its conviction that the stability of our economy requires resistance to union demands, and that unions are too powerful and are overreaching themselves, are obstructing industrial progress by resisting technological advance and automation, are misinterpreting management's viewpoints to the employees, and are advocating legislative programs hostile to a sound business climate.

I wish I had the time to deal adequately with each of these respective viewpoints.

Here I have time only to say, that in my view, the American industrial scene is not one in which poor, downtrodden, profitless business enterprises have every last penny extracted from them by powerful labor unions or their political allies in government.

Wage and profit statistics certainly do not point to such a picture for the economy as a whole. Nor do they show such a condition in the particular industries in which the labor unions, which are usually denounced as monopolies by labor critics, exist.

Of course, I recognize that situations can and do exist where the comparative bargaining strengths of unions and employers are not in balance. There are weak unions and there are strong unions. There are situations in which a labor surplus exists, union loyalty is divided or small, and the market is such that the employer can afford to forego production for a period of time.

There are also situations where the opposite is true. Economic injury can occur when too great bargaining power exists on either side. But I think it is one of the essentials of our free economic system that we do not interfere to redress every individual instance of economic disequilibrium, so long as there is no general pattern of imbalance. I do not think that there is such a general pattern.

What I personally think about this, however, is not of any great significance. What is important is that a considerable body of business opinion is convinced that labor exercises too great economic and political power and that a considerable body of labor opinion has the same belief concerning business.

Polarity Deplored

The fact is that labor and management stand increasingly apart and that the degree of polarization of viewpoints is very great indeed.

This is evident from the extreme statements made by the spokesmen on both sides.

I have read speeches which assert that labor and its allies are determined to socialize America, which everyone should know is plainly nonsense. I have also read speeches charging American industry with designs to enslave their workers, a charge which in my opinion is equally nonsensical.

The challenge of the 60's is to end the cold war which exists between labor and management in America today. The challenge of the new age is to get these two powerful groups to "bury the hatchet."

This is easier said than done. Opinions and views strongly held cannot be changed by pious exhortations to get together. Yet, unless labor and management jointly adopt programs and procedures to better labor-management relations, they will both be in jeopardy.

Already the public is too frequently saying: "A plague on both your houses." And it has been my experience in Washington during the last 13 years, that the Congress sooner or later reflects public opinion by legislation.

Without commenting on the merits of the document, I feel certain that neither the steel industry nor the union can take much comfort from the report recently issued by the National Council of Churches dealing with the prolonged steel strike of last year.

It is also not without significance that a political leader of the stature of Governor Rockefeller during the steel strike advocated compulsory arbitration in national emergency disputes, a "solution" not welcomed, and in fact bitterly opposed, by both management and labor.

But there is an even far more compelling reason than the state of public opinion for labor and management to bridge the gap which has developed between them.

The Cold War's Challenge

Our country, not of its own choosing, is involved in a cold war with an implacable and relentless enemy, the Soviet Union, the leader of International Communism. To meet the challenges of this cold war, America must make sure that both our military establishment and our industrial way of life remain superior in all respects to that of the Russians. This requires the wholehearted cooperation of all elements in our society, including, as of first priority, that of management and labor.

If we were really at peace and not menaced by the Kremlin, we could, perhaps, continue our traditional practices and carry on our traditional quarrels. But we are not at peace, and our whole way of life is being challenged. Since labor and management are both dedicated to this way of life, we simply cannot afford the luxury of the division and polarization of viewpoints which exist between these two important groups in our country at the present time.

For if we take no step to reverse this trend, if we make no effort, the alternative is discouraging. The widening of the gap, the growing disillusionment with the capacity of free labor and free management to solve common problems—all lead to an eventual militant class consciousness, the absence of which has been one of the strengths of democratic America.

What is obviously called for is a greater recognition between management and labor in America of mutuality of interest.

What is obviously called for is a greater recognition by management and labor of each other's problems.

What is obviously called for is a willingness on the part of both to cooperate in the solution of these problems.

Mind you, mutual respect does not mean artificial unanimity of thought. Within the framework of mutual acceptance and mutual respect, there is wide room for diversity of opinion. But cannot labor and management work together to solve common problems through the development of programs which will promote the nation's health and will advance the growth of both business enterprise and labor?

I was hopeful that progress would be made towards the creation of a better climate through the labor-management discussions which were initiated under President Eisenhower's auspices a few months ago. It is an open secret, however, that these talks have lagged and are making little or no progress.

I have, as a result, come to the view that these extraordinary times require something more than merely desultory talks between a few top labor representatives a few management representatives, if we are to achieve better labor-management relations. We need a joint program of government, labor and management and an appropriate agency in which all participate to bring this about.

Favors Tri-Partite Council

My own thinking runs along the lines of the establishment, by the new Administration, of a National Council of Labor-Management Advisers. We already have a Business Advisory Council in the Department of Commerce. We have labor advisers to the Department of Labor. We need to merge them in a joint council.

The essential purpose of this new Council would be to bring the experience and wisdom of labor, management and public experts jointly to bear on the great problems posed in the field of labor-management relations, activities and interests. I would hope that the Council would be able to restore that sense of common purpose which we had during World War II, and for a brief period afterwards, and which we need so desperately now.

In my view, the Council should be tri-partite in character, consisting of an equal number of representatives of labor, management and the public.

Tri-partitism proved itself in World War II. I belive it would prove itself equally valuable now.

I would suggest that the Secretary of Labor, the Secretary of Commerce and the Chairman of the Council of Economic Advisers be *ex-officio* members of this Council.

To insure the participation of top representatives of labor and management, the members of the Council should not be required to serve full time, but rather, expected to devote as much time as the important functions of the Council require. Surely, we can rely on the patriotism and sense of duty of the members of the Council to guarantee this. The Council, however, in my view, should have a permanent and adequate full-time staff, recruited, like the members of the Council, on a tri-partite basis from the best men and women avilable in these segments of our society.

As its proposed name indicates, the Council should *advise* the President; its value would be that it is a Presidential Council. Any down-grading of its function would make its work useless and ineffective.

Proposed Council's Limits

The Council should "advise" and "recommend." It should not be a third legisative body. The Council would not and should not have any political or legislative functions.

The Council should not interfere with our established and tried methods of collective bargaining. It should not take over or infringe on the functions of either labor or management.

I am suggesting an agency to assist in helping our free institutions work in these troubled times, not to displace them.

The Council, out of their experience, should seek to recommend bold and imaginative programs to encourage the nation's economic growth and health, and to advance both our business enterprise and our labor movement. It should seek to develop programs for reconciling the great benefits to be derived from automation and the great burdens in human terms which develop from the impact of automation. It should seek to define the role of Government and of management and of labor in implementing our national goal of achieving full production and full employment.

In addition to this role of advising and recommending programs to the President for submission to the Congress, the Council should formulate programs for management and labor to follow in advancing industrial peace and minimizing industrial conflict. One of the means for doing this might be by providing a continuing and expanded basis for the labor-management meetings, now under way. The Council might provide the staff for these meetings and the studies necessary for constructive recommendations from the meetings. It might extend these conferences so they will take place both on an industrial and on a local level, thus insuring the participation of top leaders of labor and management in the various industries and localities.

Such a Council might very well consider the advisability of convening periodic and enlarged White House conferences of labor and management which will bring to Washington thousands of the men and women at all levels who work day by day in this area. White House conferences have made significant contributions in the fields of education and social security. Similar White House conferences on labor-management problems could, in my opinion, contribute greatly to a better climate between labor and management.

Again, I wish to emphasize, that, in all of this, I do not propose to exclude the indispensable role of the Executive and the Congress in formulating and enacting programs, but rather, I propose to help the President and Congress by bringing the experience and wisdom of both management and labor and the public to bear upon the issues.

Would Handle Emergency Disputes

There is one "operational" role which the Council might very well be given. The Council could properly be entrusted with the responsibility of dealing with disputes of the character which we have come to term "national emergency disputes." One dividend of the recent prolonged conflict in steel has been the growing recognition that the Taft-Hartley injunction method is one-sided, does not help to settle the underlying dispute and is a wholly unsatisfactory method of dealing with disputes of this character. The President, Secretary of Labor Mitchell, Dr. George Taylor of the Board of Inquiry in the steel dispute, other public officials, labor relations experts, and large sections of the press, have demonstrated their lack of faith in the national emergency injunction provisions. It is clear that we must seek a better way of asserting the public interest in disputes of this character.

Compulsory arbitration is not the answer. It is incompatible with both our free economy and our free labor movement. Compulsory arbitration would have serious and deliterious effects on the functioning of both labor and industry.

My proposal contemplates that we should return to the concept, symbolized by the War Labor Board, of enlisting eminent men, selected on a tri-partite basis and respect for manifest fairness, experience and patriotism to help settle great disputes by mediation, fact-finding and recommendations which, though not binding, will help the conflicting parties find satisfactory common solutions to their problems.

In suggesting that the proposed Council handle emergency disputes, in lieu of the present unsatisfactory Taft-Hartley procedures, I want to emphasize that this, in my opinion, should be an incidental, rather than the main purpose of the Council, which should be to advise the President in the development of constructive policies and programs.

Endorsed By Charles Cox

I am pleased to see that this proposal has been endorsed by a great business statesman — Mr. Charles Cox, Chairman of the Board of Kennecott Copper Corporation. This veteran industrialist in an outstanding recent address has expressed thoughtful concern about the state of labor-management relations in the United States and believes, as I do, that a labor-management council can help better these relations.

One of my friends in the steel industry, however, has a different point of view. In a recent speech Mr. R. Heath Larry, Vice-President of United States Steel, has warned businessmen that proposals like mine for labor and management discussions, outside of collective bargaining, and a labor-management council of advisers, are seductive devices designed to lure American businessmen into a course of action which will curtail management prerogatives and impinge upon management rights **[Ed. Note—Cf. page 5 of Dec. 1, 1960, issue of the "Chronicle" for full text of Mr. Larry's address in which he opposed national advisory boards or tripartite councils.]**

I think my friend from industry, who sounded this note, denigrates his colleagues. In my experience of more than 20 years in dealing with American management, I have found the managers of industry to be hard-headed men. They are not so easy to get. And since I am merely proposing communication between labor and management — discussions, not laws—a council of advisers, not enactors—the business representatives in these discussions, or in the Council, like the virtuous maiden, if unwilling, can always say NO. And I am quite sure that most labor leaders can testify that business managers can and do say NO, and that they say it often and loud.

Whatever the form, the impelling need today and for the future, is for labor and management in this critical age to work together and with government to solve common problems through the development of a program which will protect and promote the country's economic health and our national security.

Such a program would harmonize the public interest with the interests of both business and labor. It would produce constructive solutions to our problems from which every American will benefit.

*An address by Mr. Goldberg before the 65th Congress of American Industry, sponsored by the National Association of Manufacturers, New York City.

Joins Willard F. Murphy

(Special to THE FINANCIAL CHRONICLE)

CHIPPEWA FALLS, Wis. — Robert C. Ingoldt has joined the staff of Willard F. Murphy, 29 West Spring Street.

First Boston Corp. Promotes Thirteen

The First Boston Corporation has announced the promotion of 13 executives in its New York, Boston, Chicago and Philadelphia offices.

In New York, John R. Loomis and Frederick S. Owen were appointed managers in the Investment Department, and Warren G. Hamer was appointed manager in the Investment Research Department. Mr. Loomis, who joined First Boston in 1955, is concerned with corporate sales, as is Mr. Owen, who joined the corporation in 1945. Mr. Hamer, an industrial analyst, came to First Boston from Philip Morris, Inc. in January 1960.

In Boston, Grant S. Barker, Parker L. Monroe and Alfred G. Zuccaro were appointed managers in the Investment Department. Richard W. Clark was appointed assistant manager in the Government Department and Judson B. Curtis assistant manager in the Investment Department. Mr. Barker came to First Boston in 1953, Mr. Monroe in 1954, Mr. Zuccaro in 1946, Mr. Clark in 1954 and Mr. Curtis in 1951.

In Chicago, William L. Ostrander was appointed manager in the Investment Department, and Walter E. Knowles, 3rd. was appointed manager in the Municipal Department. John P. Heiner was named as assistant manager in the Government Department and James O. Johnson, Jr. assistant manager in the Investment Department. Mr. Ostrander joined First Boston in 1955, Mr. Knowles in 1957, Mr. Heiner in 1956, and Mr. Johnson in 1955.

In Philadelphia, Cameron Thompson was appointed manager in the Investment Department. He has been associated with First Boston since 1954.

Walston & Co. Inc. Elects Longwell

Walston & Co., Inc., 74 Wall St., New York City, member of the New York and Pacific Coast Stock Exchanges, has elected Harold W. Longwell an assistant Vice-President.

Lehman Brothers To Admit Partners

On Jan. 12 Lehman Brothers, One William Street, New York City, members of the New York Stock Exchange, will admit to partnership Marvin L. Levy, Arthur D. Schulte, and Stephen M. DuBrul, Jr.

Commercial Aspects of Our National Space Law

By Andrew G. Haley, General Counsel, International Astronautical Federation and the American Rocket Society, and Member of Haley, Wollenberg & Bader, Washington, D. C.*

Our commercial stake in the "Space Age," said to be greater than in any other segment of our economy, and the future of political and economic institutions and of mankind are held to be in jeopardy. Mr. Haley flays our statutory provision governing (1) "property rights" in invention and in by-product results from government contracts, and (2) individual and property rights liability for hazards. The author calls upon the Senate to act favorably upon a House Bill which deletes principal offending portions and he warns that our failure to act may discourage contracts and entry of capital into this vitally important growth industry. Also discussed is our rate of progress and the international legal-political problems we face as a consequence.

Some three years ago, "Sputnik" and "Explorer" were brand-new words in the popular vocabulary, and the first successful launching of the grapefruit-sized "Vanguard" was still a few weeks off. The breathless pace of events has made these early achievements seem primitive. In the short span of time men have begun to use satellites to bounce messages across continents, to read the weather from a vantage point in space, to photograph the far side of the moon. New miracles of the Space Age soon will crowd even these notable accomplishments into the background.

Andrew G. Haley

The bold vision of the scientists, the daring of the astronauts, these elements of the space effort stir the imagination and capture the headlines. Our people generally are becoming aware of space exploration as a long-range factor affecting their lives, and perhaps determining the future of their children. But even at this date, too few appreciate the immediate commercial implications of the Space Age. Bringing the matter right home to the individual I venture to say he has more at stake in this area than in any other segment of our economy.

Today the Federal Government spends over $8 billion on research and development, and 56% of this amount is contracted out. Within the next few years, it is anticipated the proportion done under contract will increase to 65%. Right now, the National Aeronautics and Space Administration is close on the heels of the Defense Department and Atomic Energy Commission in research and development expenditures, and a House Subcommittee forecasts that within the next decade it will surpass the other two agencies in this respect.

If anyone's pocketbook nerve twitches at the outlook of more billions being spent in the still somewhat strange area of space research, I find a reassuring analogy in English history. Viscount Melbourne, Prime Minister under Queen Victoria, embarked on an economy spree. In the process, he inspected the Royal Institution and criticized Michael Faraday for the sums spent on electricity and magnetism and what he called the "gadgetry" involved. The great Faraday responded: "Some day the Queen's First Minister will replenish the Royal Exchequer with the taxes derived from this electromagnetic gadgetry."

Businessmen today have a more far-sighted view of space research than Melbourne had of Faraday's activities. A survey published in the *Harvard Business Review* shows that a majority of executives are so strongly in favor of space exploration they give it priority over a cut in taxes.

It is not my purpose to "sell" the Space Age or justify its costs. We are in it, whether we go willingly or are dragged by the heels, and it already is presenting us with legal problems which require serious examination. Some of these have arisen in sharp focus on the domestic front, others are beginning to take on more clear-cut outlines in the international arena.

Discussing matters closest to home first, we must face up to new Space Age issues within the familiar old legal categories of "Property Rights in Inventions" and "Liability for Hazards."

The question of property rights in inventions comes up so imperatively in space matters because here government has brought private enterprise in as a more significant partner than in atomic energy, where government for the most part plays the role of lone wolf.

This partnership is hailed as particularly encouraging by the proponents of the free enterprise philosophy. If it fails, however, not only will our political and economic institutions be seriously jeopardized but there is a strong possibility that mankind may not be around to pick up and rearrange the pieces. We therefore must succeed in this undertaking.

For this partnership to work requires substantially more than the mere declaration by the government of its announced policy to have private enterprise participate in its space endeavors. Private enterprise must have a voice in whether it desires to participate and on what terms. Notwithstanding their desire to perform a service to the country, and the promise of adequate remuneration for the efforts expended, some corporations have flatly refused to enter the program and others have done so only reluctantly.

Problem of Patent Rights

The principal reason for industry's reluctance is Section 305 of the National Aeronautics and Space Act of 1958. This provision deals with property rights in inventions made under Federal Space contracts. The first clause reads in essence "Whenever any invention is made in the performance of any work under any contract of the administration * * * such invention shall be the exclusive property of the United States and, if such invention is patentable, a patent therefore shall be issued to the United States * * * unless the administrator waives all or any part of the rights of the United States to such invention in conformity with the provisions of subsection (f)." It further provides that no patent may be issued to any person if the invention involved appears to the Commissioner of Patents to have "significant utility" for the space program, unless the applicant swears under oath that he developed his invention without aid from the Space Administration. Even then, the applicant may be overridden by the NASA administrator and be compelled to find any remedy due him through complicated appeal procedures.

It is not clear from the legislative history how this provision crept into the statute. During the hearings on the Space Act of 1958, the subject was rarely mentioned. The first proposed draft omitted entirely any comment on patent rights. President Eisenhower's message was similarly silent on this point. Since a comparable provision appears in the Atomic Energy Act, some commentators theorize the House and Senate Committees automatically assumed it appropriate to incorporate this provision in the Space Act. If so, however, Congress overlooked the government's almost exclusive role in the atomic power field. Moreover, the drafters failed to consider the regulations governing property interests in contracts let by the Defense Department. In this respect, the Department of Defense is not governed by statute but by regulation. The Department of Defense acquires no patent rights on contracts calling exclusively for delivery of supplies. On research and development contracts, the Department requires an irrevocable, royalty-free, non-exclusive license to make or have made any invention arising thereunder.

An Inexplicable Reason

For some inexplicable reason, Congress patterned the patent section of the Space Act after the corresponding provision in the Atomic Energy Act instead of fashioning the provision along the lines of the Department of Defense regulations. Despite the drafter's thoughts to the contrary, NASA deals with products more like those of the Defense Department than of the Atomic Energy Commission. Congress has recognized this by determining that in general procurement regulations NASA is to follow the Department of Defense.

In many instances, NASA will procure its needs through Department of Defense personnel where both agencies contract with the same private contractor. NASA, in order to carry out the spirit of Section 305, requires the special Section 305 clause be incorporated in the contract covering the NASA purchase. This leads to the anomalous result where two agencies of the government contract for the identical commodity from the same contractor—with respect to one, the contractor retains his property rights and with respect to the other, he may lose his rights.

Almost Unrestricted Rights

The inequality of treatment between the Department of Defense and NASA is simply one instance demonstrating the statute's inadequacy. It suffers from other infirmities. For instance, Section 305 is not restricted to research and development projects but embraces any work performed at the insistence of the administrator. For example, if a particular fine, patentable, welding torch were developed, to fulfill an over-all NASA contract, under the statute the administrator could insist upon ownership rights in the torch.

Contractors contemplating bidding for space work must consider with particular attention the statutory definition that the term "made" when used in relation to any invention means the conception or first actual reduction to practice of such invention. Since "made" encompasses not only conception but also reduction to practice, a contractor who has in fact secured a patent may still be deprived of proprietary interests if the patent is first reduced to practice under a NASA contract Of course, a benevolent administrator may temper many of the harsh results alluded to above. This does not, however, make the statute workable. It must also be remembered the improper exercise of discretion can be just as intolerable as excessive rigidity. The prospect of Congressional investigation is another element not conducive to bold action.

Case Examples

The statute is simply unworkable and, unless it is repealed or drastically amended, dire consequences to our space program may result. Seven specific instances have already been noted by Congress as evidencing the difficulties encountered by virtue of Section 305. Let us examine these cases:

Case No. 1: The Westinghouse Electric Corp. believes that as a result of studies over the years it has made some very basic and fundamental discoveries in the technique of maintaining and regulating an arc discharge in a gaseous medium. It appeared to technical personnel of Westinghouse Electric that these recent discoveries might well have application to the development of high-velocity wind tunnels. Westinghouse Electric informally inquired of NASA whether under a contract to apply its discoveries in the field of arc discharge to the development of such a wind tunnel it could retain commercial rights in inventions made in the performance of the contract. Westinghouse appeared to believe that there would be further demand for such wind tunnels not only by the government but by industry, and the retention of commercial rights in inventions would enhance its competitive position.

Westinghouse was advised that the only procedure to accomplish this objective is the waiver under subsection 305 (f) of the NASA Act, as implemented by NASA regulations. These regulations provide for the granting of waiver by the Administrator of NASA upon recommendation of the NASA Inventions and Contributions Board, and therefore any specific action cannot be foretold. These regulations provide that waiver may be granted if it is shown that the invention has "only incidental utility" in the conduct of activities with which the Administration is particularly concerned, and has substantial promise of commercial utility. It appeared likely that any invention in the field of wind tunnel design would have more than incidental utility in the conduct of activities with which NASA is concerned. Accordingly, this provision offered little promise that a waiver of the government's rights in these inventions could be obtained.

Another provision allows waiver where contractor's expenditure of funds in the field of the invention has been large in comparison to the amount expended under the NASA contract. It did not appear that any invention in the field of wind tunnel design would be likely to qualify under this provision. None of the other provisions for waiver appeared to offer better hope to obtain commercial rights. Accordingly, Westinghouse now has under consideration whether it should make any NASA contract involving arc discharge. It should be added that Westinghouse Electric has contracts with NASA in fields of technology where their commercial position is not so critical. Meanwhile, however, the misguided effort to protect government rights serves only to deprive the government of a potential benefit.

Case No. 2: The Electric Storage Battery Co. was requested by McDonnell Aircraft Co., prime contractor for Project Mercury, to accept a sub-contract for the development of a battery to be used in Project Mercury. Since the research and development involved would parallel the Electric Storage Battery Co.'s own research program, and since the inventions emanating from this undertaking would be subject to the patent provisions of the National Aeronautics and Space Administration Act, Electric Storage Battery refused to enter into this subcontract with McDonnell Aircraft Co. Had it not been for the development of an alternative power supply by another NASA contractor, the refusal of Electric Storage Battery to take a subcontract with McDonnell Aircraft merely because of the NASA patent provisions could have seriously impaired or delayed Project Mercury.

Case No. 3: The Motorola Co. has made certain discoveries in photographic processes and techniques which appear to have substantial promise of commercial utility. These discoveries were made independently of any government sponsorship and are presently the exclusive property of the Motorola Co. It appears, however, that these processes and techniques also may have application in the solution of problems of photography in space exploration. Officials of the Motorola Co., therefore, approached NASA about a research and development contract but asked whether such a NASA contract would result in the government acquiring title to any of these inventions.

The answer to their question depends upon whether these inventions have been "actually reduced to practice," a matter not easily ascertainable because the investigations undertaken by Motorola are still in an experimental stage. Moreover, the Motorola Co. desires to continue its own research and development program in the commercial applications of these new photographic techniques and processes, and therefore desires to retain commercial rights to all new inventions. The NASA patent provisions leave in doubt the desirability of making a formal proposal to NASA to support such investigation.

Case No. 4: The General Electric Co., under a contract with an agency of the Department of Defense, had successfully completed the basic research and study to indicate the applicability to missile guidance of certain superconductivity phenomena previously discovered by G. E. NASA desired to join with the Department of Defense in applying these discoveries to space vehicle guidance. This joint sponsorship would, of course, necessitate the incorporation in the contract of the special NASA patent provisions which are less favorable to the contractor than those of the Department of Defense. The contractor refused to take the contract under such joint sponsorship, and, presumably, this investigation if undertaken will have to be supported solely by the Department of Defense. It should be added that the General Electric Co. is participating under research and development contracts with NASA in many other areas of research and development, and its unwillingness to accept NASA's support in this specific case was undoubtedly attributable to a reluctance to surrender any rights in the background inventions involved in this undertaking.

Case No. 5: Narmco Industries, Inc., of San Diego, Calif., was requested by NASA to undertake some research investigations on the development of new structural materials for outer space application involving the impregnation into plastic or metal structures of fibers or disk-like flakes of ceramic or glass materials. Narmco would be responsible for the development of the end material but would be required to seek from the glass or ceramic industries the improved fibers and disk-like materials which were to be incorporated into the plastic or metal matrix. On investigation, Narmco found that the glass and ceramic industries were reluctant to participate in this program if their participation would subject them to the patent provisions of the NASA Act. Because of these difficulties, this proposed investigation did not materialize. However, it is understood that Narmco has accepted contracts with the Departments of the Air Force, Army and Navy for similar investigations.

Case No. 6; The Associated Piping Engineering Co. of Compton, Calif., has apparently developed, independently of any government sponsorship, a novel process for welding tungsten-containing alloys. It is believed the process could be applied to tungsten or molybdenum to achieve a NASA objective which is important in our space program. The NASA patent provisions are presently delaying the placing of a contract with this firm. Although it appears that the company has a well-established proprietary position in this field, if it were to enter into a contract it would be required not only to give the government patent rights but to convey information which might be made available to the public.

Case No. 7: The Lesona Corp., a subsidiary of Patterson-Moof Corp., was approached by NASA to develop a carbon dioxide analyzer for use in Project Mercury. Lesona, the owner of patents in this field, had granted an exclusive license to another firm under all inventions covered by its patents and all improvements therein. Under the patent provisions required in the proposed NASA contract, the government would acquire exclusive rights in inventions made in the performance of work under the contract and Lesona could be held to have violated the terms of its exclusive license agreement. Even though Lesona wanted to accept the NASA contract, the officials of the company decided that it would be in the best interests of the company to refuse the work with NASA.

Where There Is No Dispute

These examples cry out, I believe, for a change in the law.

The reasoning of those resisting amendment is predicated on the theory, "if the government pays for the invention, it should own that which it purchased." There is no dispute that the government is entitled to all of the benefits that may be derived from spending its citizens' hard-earned tax dollars. This, however, is achieved by the government's reserving a royalty-free, irrevocable license on all patents attributed to funds received from government contracts.

In certain isolated cases, perhaps more is required. For instance, if through space exploration a cancer cure be discovered, then it would be unconscionable to deny to the public the benefit of such a discovery.

That adequate protection of the government's interest is afforded by a royalty-free irrevocable license is indicated by the government's refusal to protect the patents which it now owns. It does not sue infringers. Exclusive licenses cannot be had from the government, for if the government did grant exclusive licenses, it would expose itself to severe criticism. More important, it would seriously be impinging upon areas heretofore deemed within the exclusive preserve of private enterprise.

Calls on the Senate to Act On House Bill

During this past session of Congress, the House, mindful that our defense and space postures are in jeopardy, extensively amended Section 305, deleting the principal offending portions. Unfortunately, the Senate did not act on the House Bill. As a consequence, industry remains plagued by these burdensome provisions.

Liability for Hazards

In addition to possible denial of the product of its endeavors, industry must consider the tremendous financial risks entailed in entering the field of space development. To perfect a particular space project requires experimentation and testing which in turn create hazards. The dangers to individual and property rights, therefore, cannot be minimized. The potential harm is demonstrated by the inability even of manned aircraft, after many years of experience and experimentation, to completely curtail the incidence of air mishaps. It is unrealistic, therefore, to assume the missile industry is equipped to bring about perfection during its infancy.

There are several aspects to the problem. Foremost, industry must exercise every safeguard at its command to protect human life and property. With the potential harm so great society must insist upon no less than the exercise of the utmost care by those participating in space research and development. If this be done, then we can hope to keep at a minimum the incidence of damage caused by space exploration.

A second factor requiring examination is on what basis, if any, will the innocent and injured citizenry be compensated. Familiar legal principles tell us there can be no liability without fault. The mere causing of a mishap does not necessarily carry with it the responsibility to make restitution to those injured thereby. An unavoidable accident is not actionable. To recover damages the injured party must establish that the purported wrongdoer violated a duty imposed by society which directly resulted in the loss the injured victim suffered. The burden is on the party claiming injury. If these principles be held applicable to damages caused by errant missiles or crashed satellites, the injured party in many instances will be left without adequate legal remedy.

Inability to marshal proof and the high cost of litigation will induce many to forego their legal rights. Even in instances where proof can be had and costs met the great distances involved between the points of missile discharge and contact will dissuade resort to legal forums. Our traditional legal concepts are simply not equipped to cope with this problem presented by the space age.

Of course, the doctrine that ultrahazardous activity gives rise to absolute liability might be resorted to by some jurisdictions to take care of cases where damage is caused by the vagrant rocket. Ultrahazardous activity is defined as an act or course of conduct, not of common usage, which necessarily involves a risk of serious harm to the person, land or chattels of others which cannot be eliminated by the exercise of utmost care. This description perhaps aptly fits the launching of missiles at the present time, since the complexity of the rocket propulsion and guidance systems and the myriad possibilities of malfunctions present such a risk. If the absolute liability principle be held applicable, however, will industry be able to underwrite the tremendous costs that might very well be involved?

Would Discourage Capital Entry

The excessive jury verdicts so prevalent in our large cities today could easily bankrupt a single corporation held liable for one misguided rocket. This prospect might discourage entry of capital into the field at all or encourage undercapitalization, which would reduce the risk to the company but be unfair to the innocent victim.

One working solution would be

Continued on page 22

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York has appointed Frederick W. Bardusch Vice-President and Loan Review Officer.

Mr. Bardusch, who has been Deputy Controller of the Bank since 1956, will take the loan review position held by Henry J. MacTavish, who will retire on Dec. 31.

Mr. Bardusch joined the Chase National Bank in 1929.

* * *

On Jan. 13, **The Chase Manhattan Bank, New York,** plans to begin moving into its 60-story head office building in lower Manhattan.

* * *

The First National City Bank of New York on Jan. 4 announced the designation of J. Andrew Painter, Vice-President, as the senior officer to head its Savings Department and to coordinate the activities of the Bank's 88 metropolitan branches in this increasingly important phase of retail banking.

* * *

David L. Mitchell and Kenneth Porter have been elected Vice-Presidents of **Chemical Bank New York Trust Company, New York,** it was announced Dec. 30 by Chairman Harold H. Helm. Mr. Mitchell, joined the Bank in 1948 and has served as an Assistant Secretary since 1953. Mr. Porter joined the Bank in 1947 and became an Assistant Secretary in 1954.

* * *

CHEMICAL BANK NEW YORK TRUST COMPANY, NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	4,539,894,914	4,192,079,699
Deposits	3,898,195,357	3,573,514,177
Cash and due from banks	1,052,285,299	912,063,173
U. S. Govt. security holdgs.	569,538,600	448,161,220
Loans & discts.	2,234,440,298	2,171,930,743
Undivid. profits	63,226,398	59,319,829

* * *

Frank S. Dibrell has been elected a trust officer by **Chemical Bank New York Trust Company,** it was announced Jan. 4 by Chairman, Harold H. Helm. Mr. Dibrell joined the Bank in 1934 and became Assistant Trust Officer in 1954.

* * *

The Hanover Bank, New York has announced the election of Philip J. Englert, Daniel B. Phelan, George Mohrmann, Thomas E. Baggott, Lawrence H. Bober, Edwin C. Fox, William McGorry, Llewellyn Jenkins and Frederick B. Utlley, Jr. as Vice-Presidents.

* * *

THE HANOVER BANK, NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	2,192 266 000	2,067,182,336
Deposits	1,885,721,000	1,761,351,622
Cash and due from banks	615,802,000	563,789,782
U. S. Govt. security holdgs.	442,241,000	362,514,470
Loans & discts.	975,680,000	976,161,915
Undivid. profits	41,073,235	39,100,140

* * *

IRVING TRUST COMPANY, NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	2,254,621,257	1,956,027,308
Deposits	1,998,540,101	1,699,673,836
Cash and due from banks	744,697,535	530,087,603
U. S. Govt. security holdgs.	383,619,582	295,347,245
Loans & discts.	959,155,782	957,327,234
Undivid. profits	35,066,641	32,733,685

* * *

THE MARINE MIDLAND TRUST COMPANY, NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	770,343,965	637,171,650
Deposits	678,231,426	552,485,491
Cash and due from banks	270,134,414	180,180,399
U. S. Government security holdings	128,678,433	107,430,323
Loans & discounts	333,925,113	313,335,353
Undivided profits	17,174,283	16,658,541

BANKERS TRUST COMPANY, NEW YORK

	Dec. 31, '60	Jun. 30, '60
	$	$
Total resources	3,430,253,163	3,143,025,096
Deposits	3,032,174,316	2,754,021,344
Cash and due from banks	927,889,549	807,611,501
U. S. Govt. security holdgs.	671,767,482	407,130,706
Loans & discts.	1,567,059,587	1,697,669,173
Undivid. profits	48,960,147	45,055,661

* * *

THE BANK OF NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	694,890,898	541,127,368
Deposits	605,978,910	459,330,966
Cash and due from banks	247,359,770	136,257,945
U. S. Government security holdings	98,764,940	98,525,428
Loans & discounts	295,629,990	265,192,927
Undivided profits	9,440,690	9,235,172

* * *

Two changes in senior officer assignments at **Morgan Guaranty Trust Company of New York, New York,** together with a number of other officer apopintments, were announced by Henry C. Alexander, Chairman of the board.

J. Delafield DuBois, Senior Vice-President. He will be succeeded by Guido F. Verbeck, Jr., also a Senior Vice-President. Both these changes are to take effect Jan. 1.

Also announced, effective immediately, were the promotions to Assistant Vice-President of David W. Brillhart, Neil M. Holt, Clifford J. Kendall, C. Chesney McCracken, David B. Magee, W. Jarvis Moody, John M. Porges, John G. Rhatigan, C. Robert Safford, Thomas W. Stanley, Robert J. Wynn, and William C. Zink.

Robert S. Denvir and Paul G. Norris were elected Trust Officers. Robert E. Borgesen, Lillian Otlowski and Kingston S. Seibert were elected Assistant Trust Officers.

Milton W. Hudson was elected an Associate Economist.

The following were elected Assistant Terasurers: Charles S. Bissell, Jr., Joseph F. Cody, Leighton H. Coleman, Jr., James G. Conron, Jean F. de Gautret, Edward C. Fecht, Norman E. Lloyd, Daniel J. McVeigh, N. Ross Matthews, Raymond Rodriguez and Werner Stange.

Also elected were Nicholas Mezey and George W. Young as Investment Research Officers and Carl L. Swanson as an Assistant Secretary.

* * *

MANUFACTURERS TRUST COMPANY NEW YORK

	Dec. 31, '60	Sept. 30, '60
	$	$
Total resources	3,973,719,461	3,535,086,935
Deposits	3,464,810,876	3,055,984,746
Cash and due from banks	1,253,619,748	973,805,458
U. S. Govt. security holdgs.	712,510,329	633.965,094
Loans & discts.	1,586,109,562	1,564.873.619
Undivid. profits	43,718,024	40,445,987

* * *

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	4,423,947,762	4,116,560.618
Deposits	3,646,025,383	3,362,800,617
Cash and due from banks	1,200,981,678	720,362,106
U. S. Govt. security holdgs.	450,156,420	869,699,144
Loans & discts.	2,351,906,559	2,131,604,040
Undivid. profits	126,323,292	115,787,639

* * *

THE GRACE NATIONAL BANK OF NEW YORK

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	233,274,819	208,503,939
Deposits	208,259,566	181,580,293
Cash and due from banks	63,512,536	54,068,898
U. S. Government security holdings	42,453,611	37,591,556
Loans & discounts	106,972,574	93,322,978
Undivided profits	3,719,241	5,394,915

* * *

The Irving Trust Company, New York has announced the promotion of Paul W. Howe from Assistant Vice-President to Vice-President and Donald C. Jackson to Vice-President.

* * *

The banking firm of **Brown Brothers Harriman & Co., New York** announces the appointment as of Jan. 1, 1961 of David S. Ligon as a Manager and Olga E. Fluck and George E. Schafer as Assistant Managers in the New York office. Ncah T. Herndon, George D. Rattray and William E. Thrasher have been made Assistant Managers in the Boston office.

* * *

R. P. Edwards will succeed B. P. Massey, who retired Jan. 1, as New York agent of the **Hongkong and Shanghai Banking Corporation.**

* * *

On Dec. 25, Thurman Lee, 65 Board Chairman of the **Dry Dock Savings Bank of New York,** died. In 1946 Mr. Lee became President of the Dry Dock Bank. He has been Chairman of the Bank since 1958.

* * *

Lloyd H. Dalzell has been elected a Trustee of the **Union Square Savings Bank, New York.**

* * *

Maxwell B. Smith, Jr. has been made a Real Estate Officer of the **Dry Dock Savings Bank, New York** as announced by Mr. William A. Lyon, President.

* * *

John T. Madden, Chairman of the Board of **Emigrant Industrial Savings Bank, New York** announced that Edward L. Steiniger has been elected to the Board of Trustees of the Bank.

* * *

Ralph S. Stillman, President of the **Grace National Bank of New York, New York,** announced Dec. 23 the following promotions: E. Tinsley Ray from Vice-President and Trust Officer to Vice-President and Senior Trust Officer; Martin J. Grimm and Thomas F. McDevitt from Trust Officers to Senior Trust Officers; and Thomas T. Brekka, Carl A. Schmidt and Edward H. White from Assistant Trust Officers to Trust Officers.

* * *

John M. Hodgman has been promoted to Assistant Vice-President of **Dry Dock Savings Bank, New York** by action of the Board of Trustees, according to Mr. William A. Lyon, President.

The promotion of Dorothy H. Hyland to the position of Assistant Vice-President was also announced.

* * *

Alfred S. Mills, President, **The Bank for Savings in the City of New York,** effective Jan. 1, announced that Mr. Charles F. Chamberlain has been appointed Comptroller. His new title will be Vice-President and Comptroller.

* * *

Mr. Albert A. H. Bliss, Vice-President and Manager of the 3rd Ave. and 72nd Street office of **The Bank for Savings in the City of New York, New York** is retiring at the end of this month.

Mr. Bliss celebrated his 43rd Anniversary with the Bank this year. Coming to the Bank as a bookkeeper in May 1917, he advanced through important positions and officerships until his election in 1958 as Vice-President.

* * *

Martin J. Rudolph has been elected Vice-President and Auditor of the **Excelsior Savings Bank, New York.**

Arthur F. Birmingham has been elected to replace Mr. Rudolph as Comptroller.

Both appointments are effective Jan. 1.

* * *

Howard W. Hammarlund has been elected Vice-President of **Union Dime Savings Bank, New York,** it was announced Dec. 22.

Promotions also announced are Arthur M. Forsythe to Assistant Vice-President from Assistant Secretary, and John S. Galloway to the position of administrative supervisor.

* * *

Frederick W. Peterson, Controller, has been elected Vice-President and Controller of the **South Brooklyn Savings Bank, Brooklyn, New York.**

* * *

Edward R. McAuliffe, President of the **Bay Ridge Savings Bank, Brooklyn, New York,** has announced the following changes in titles, effective Dec. 31, 1960:

Henry R. Kettelhodt from Comptroller to Vice-President, Anne M. Ferdon from Assistant Vice-President to Vice-President, Harry Kraut from Assistant Vice-President to Vice-President and Mortgage Officer, George C. Lundberg from Assistant Vice-President to Vice-President and David M. Smith from Auditor to Comptroller.

* * *

E. Henry Powell, has been elected President of **The City Savings Bank of Brooklyn, New York,** effective Feb. 1, to fill the post vacated by the death of J. Bertram Kelly, who was President of the Bank from April, 1950 to June, 1960.

* * *

The Franklin National Bank of Long Island, Mineola, New York announces the following promotions:

To Executive Vice-President, Patrick J. Clifford, formerly Senior Vice-President. To Vice-President and Controller, John Sadlick, formerly Controller. To Vice-Presidents James B. Agnew, Vincent F. Garvey, Charles J. Dite, Harry J. Loester, Jr., Charles Mangan, Steven A. Vanden Bergh. William J. Wallace, all formerly Assistant Vice-Presidents.

* * *

THE FRANKLIN NATIONAL BANK OF LONG ISLAND, MINEOLA, N. Y.

	Dec. 31, '60	Sep. 30, '60
	$	$
Total resources	801,674,585	690,860,971
Deposits	721,934,674	615,510,195
Cash and due from banks	97,102,973	57,441,099
U. S. Government security holdings	129,218,449	94,912,910
Loans & discounts	479,679,116	446,562,960
Undivided profits	8,681,328	5,073,105

* * *

Directors of **Valley National Bank, Valley Stream, N. Y.** and of **Osborne Trust Co., East Hampton, L. I.,** have voted a consolidation of the two institutions, according to a joint statement by George Auslander, Chairman of Valley National, and by Nelson C. Osborne, President of Osborne Trust.

The merger is subject to consent by the Comptroller of the Currency. Approval by shareholders is expected at the annual meetings next month.

The new institution would continue under the name of Valley National Bank of Long Island. Total resources would approximate in excess of $75,000,000.

* * *

The retirement on Jan. 1, 1961, of John F. Muller, Assistant Vice-President with 20 years of service has been announced by Frederick Hainfeld Jr., President of **Long Island Trust Company, New York.**

Mr. Muller, who is in charge of the Bank's East Garden City office, began his banking career with the **Manufacturers Trust Company** in 1907. He remained with this organization 37 years until he joined the Trust Company in September 1940.

* * *

Edwin Lang Miller retired as Chairman of the **Liberty Bank of Buffalo, New York.** He has been associated with the Bank for 45 years.

* * *

The First National Bank in Highland Falls (Assets $15,000,000), **Highland Falls, N. Y.,** will merge into **The First National Bank of Poughkeepsie** (Assets $64,000,000), subject to approval of the respective Bank stockholders and regulatory banking authorities. The Poughkeepsie Bank is an affiliate of **Marine Midland Corporation,** a New York State bank holding company. It is contemplated that the name of the merged institution will be **Marine Midland National Bank of the Hudson Valley.** The proposed merger was announced jointly by the three Presidents: General Chauncey L. Fenton, First National Bank in Highland Falls; John R. Evans, The First National Bank of Poughkeepsie; and Baldwin Maull, Marine Midland Corporation.

Directors of both banks and the bank holding company already have approved a merger proposal which will be submitted to the stockholders of the banks in the near future. It calls for the exchange of 67,650 shares of Marine Midland common stock for the 60,000 shares of capital stock of the First National Bank in Highland Falls.

Included in the proposal is the appointment of the present First National Bank in Highland Falls Board of Directors as an Advisory Board to the enlarged Marine Midland Bank with General Chauncey L. Fenton as Advisory Board Chairman.

* * *

The Comptroller of the Currency has approved an application of the **Merchants National Bank of Boston, Boston, Mass.,** and the **New England National Bank of Boston, Boston, Mass.,** to merge under the title of the **New England Merchants National Bank of Boston,** effective date expected to be Dec. 31.

* * *

The **Worcester County National Bank, Worcester, Mass.** elected Arthur R. Hedlund to Vice-President.

* * *

The New Jersey Bank and Trust Company, Paterson, N. J., has announced the election of Tunis Verblaauw and Hubert C. Mott to Vice-Presidents.

* * *

On Dec. 26, Charles J. Schaefer, 59, Vice-President of the **Rahway Savings Institution, Rahway, N. J.,** died.

Mr. Schaefer has given almost 40 years of service to the bank. He became Vice-President in 1950.

* * *

The Commercial Trust Company of New Jersey, Jersey City, N. J., has appointed Martin H. Hauenstein Vice-President. He was formerly an Assistant Treasurer.

* * *

The National Newark and Essex Banking Company, N. J. has elected Laird W. Dealaman Vice-President. Russell C. Buchannan was appointed a Vice-President and S. Jarvis Brinton, Jr., a Trust Officer.

* * *

The Bound Brook Trust Company, Bound Brook, N. J. has changed its title to the **County Bank and Trust Company of Somerset.**

* * *

The Comptroller has approved an application to merge **Peoples Bank and Trust Company, Hammonton, N. J.** with and into the **Boardwalk National Bank of Atlantic City, Atlantic City, N. J.,** under the title of **The Boardwalk National Bank of Atlantic City,** effective date is to be determined.

* * *

The Annual Meeting of the Shareholders of **The First National Bank of Toms River, N. J.** will be held on Jan. 10, at which time the shareholders will be asked to elect directors for the ensuing year, and to pass upon a resolution to amend the Articles of Association for the purpose of permitting the declaration and payment of a stock dividend as of Jan. 31, of 1/39th part of a share for each share of common capital stock outstanding.

With the approval of the shareholders, it is planned to increase the common capital stock of the Bank outstanding from $1,170,000 to $1,200,000 by payment of a

Continued on page 16

"Fool's Paradise Economics" By Labor Leads to Ruin

By Paul Einzig

British economist refers to the latest Belgium Socialist trade union crisis as another example of "fool's paradise economics" in action. He takes up, one by one, different instances of costly policies pursued by labor in his and other countries which he warns spells ruin to democracy unless labor wakes up to economic reality on time.

LONDON, Eng.—The year ends in a crisis in what was hitherto one of the most prosperous countries of Western Europe. At the time of writing Belgium is in the throes of strikes accompanied by sabotage and violence. The country's economic life is paralyzed. All of this is because the Socialist trade unions decided that, whoever may suffer through the loss of the Congo, organized labor must contract out of any sacrifices.

For many years the standard of living of Belgian industrial laborers was at a relatively high level largely as a result of what Socialists like to describe as the colonialist exploitation of the Congo. Belgian Socialists may have disapproved of the methods of Belgian administration in the Congo, but the are not known to have ever objected to sharing the benefits of that administration. And now that there are no more benefits to come they still insist on receiving their share of the non-existent spoils. The Government's austerity measures necessitated by the tremendous loss suffered in the Congo encounter the utmost resistance on the part of the Belgian Socialists.

Although Belgium provides an extreme instance to illustrate the attitude of the new overprivileged classes, that same attitude is very much in evidence in all industrial countries of the West. Britain among others is also a victim of trade unionist "fool's paradise economics," the basic principle of which is that the only thing that matters is to extort from the community the highest possible wages for the least possible work. Since the cost of living was stable for two years, the old excuse that wages must catch up with rising prices was no longer used. The non-stop rise of profits also seem to have come to a halt at any rate for the moment, and in some industries it has even become reversed. This fact does not prevent the trade unions on insisting on their annual round of wage claims, which they claim as their birthright.

German Workers Accepted Cuts

When productivity and profits are rising the trade unions are not slow in staking their claims for the lion's share of the increase. To be logical they ought to allow that rule to operate also in reverse. They ought to consent to wage cuts when profits and productivity are falling. This was actually done in West Germany not very long ago when, owing to the accumulation of unsold coal supplies, the miners consented to a cut. In Britain, however, any suggestion of a wage reduction would be looked upon as amounting to blasphemy.

The gains secured by the unions during booms have to be fully maintained during recessions. Indeed, the depressed state of an industry is not accepted by the unions as an argument against further substantial increases of wages. This is what has happened in the coal mining industry and in the automobile industry where the engineering unions have just secured a substantial increase. The fact that such increases further aggravate the conditions in the industry is disregarded by trade unionists' "fool's paradise economics."

Another rule of trade unionist "fool's paradise economics" is that depressed industries must not release redundant manpower. No matter how much such manpower is needed in progressive industries it has to be retained in the declining industry even if it means a shorter working week. This is what is happening in the automobile industry where in many factories there is only enough work for three days. It is feasible, because workers in that industry are so grossly overpaid that they can earn comfortable living wages even for three days work. They can supplement these earnings by undertaking unskilled labor in other industries short of manpower. This fact was mentioned during the course of a recent debate on the automobile industry in the House of Commons as an argument to show that, after all, a shorter working week need not necessarily mean a complete waste of manpower. Socialists are opposed to the practice, however, on the principle of "one man—one job," and demand that the Government should adopt measures to stimulate domestic demand for automobiles.

Another typical manifestation of trade unionist "fool's paradise economics" has been encountered in the printing industry. Two London newspapers, the *News Chronicle* and the *Star* had to close down recently because of excessive printing wages and restrictive practices. As a result of their disappearance, the circulation of other newspapers increased. The trade unions concerned insisted on the employment of additional engineering workers in proportion to the increase in their circulation, even though no additional work is involved. All that happens is that machinery has to work a little longer than before. So the men who were responsible for bankrupting two well-established newspapers of high quality are now rewarded for their accomplishment by the allocation of well-paid sinecures for their benefit.

Path to Ruin

Such instances could be multiplied indefinitely. Not nearly enough attention is paid to this state of affairs which, if allowed to continue, is bound to place Britain and other industrial countries of the free world at a great disadvantage in competition with the Communist countries. In the Soviet Union trade unions are simply Government organs and their chief task is to ensure that the output is increased to the target figure. I am sure the last thing trade unionists in the free world would want is to be reduced to such a status. Yet they are doing their utmost to bring about that very state of affairs. They live in a fool's paradise and they refuse to admit even to themselves that their attitude spells ruin to democracy.

A. B. Becker Names Officers

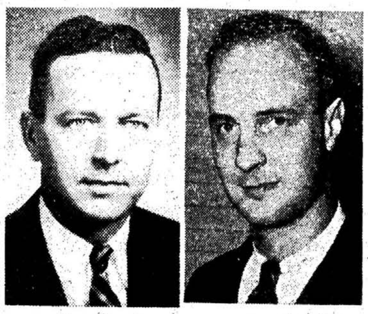
CHICAGO, Ill.—A. G. Becker & Co. Incorporated, 120 South La Salle Street, members of the New York and Midwest Stock Exchanges, have appointed Malcolm Skall Vice-President and Lester E. Frankenthal III assistant Vice-President.

Chicago Analysts to Hear

CHICAGO, Ill.—Joseph H. Colman, President of the First Bank Stock Corporation will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago, to be held Jan. 5 at the Midland Hotel.

John C. Legg Co. Admits Partners

BALTIMORE, Md.—John C. Legg & Co., 22 Light Street, members New York Stock Exchange announce that effective Jan. 1, 1961,



William F. Gliss, Jr. James R. Brewer, III

they have admitted James R. Brewer, III; William F. Gliss, Jr.; and Joseph Ward Sener, Jr. as general partners of the firm.

Mr. Brewer was educated in Baltimore preparatory schools and joined John C. Legg & Company in the Baltimore office in 1933, going to the New York office, 76 Beaver Street, in 1937 where he became active in the unlisted trading department.

Mr. Gliss, a native of Baltimore, and a graduate of Johns Hopkins University with a B.S. degree, was employed by New Amsterdam Casualty Company before joining the company in 1951 as a security analyst specializing in insurance stocks. He is now in charge of the insurance stocks department in the New York office.

Mr. Sener is a graduate of Boys' Latin School, and Haverford College with an A.B. degree. After serving with the Army Air Force in Europe, he joined the company in 1950. He has been an analyst and salesman in the insurance stocks department and now heads that department in Baltimore.

Newburger, Loeb Admits Peyser

Newburger, Loeb & Co., 15 Broad St., New York City, members of the New York Stock Exchange and other leading Exchanges,

Benjamin F. Peyser

have announced that **Benjamin F. Peyser** has been admitted to general partnership in the firm. **Mr. Peyser** has been with **Newburger, Loeb & Co.** for some time as Manager of the Institutional Department.

Wm. Blair Admits A. & F. Farwell

CHICAGO, Ill.—William Blair & Co., 135 South La Salle St., members of the New York and Midwest Stock Exchanges, have announced that Albert D. Farwell and Francis C. Farwell have been admitted to partnership in their firm.

Frederick B. Farwell, J. Cushing Fitzgerald, Howard Kahalnik, Richard T. Newman, John S. Runnells, Philip B. Stewart II and Henry P. Wheeler are now also associated with William Blair & Co.

Hill Richards Names Five V.-Ps.

LOS ANGELES, Calif.—Hill Richards & Co., 621 South Spring Street, members of the Pacific Coast Stock Exchange, have elected James J. Hilbe, John G. Rutner, Royal C. Peacock, George J. Hefner and James M. Pidgeon Vice-Presidents.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

THE AETNA CASUALTY & SURETY COMPANY

Operations and market performance of this leading multiple line writer continued strong during 1960, adding another year to a superior record. Aetna Casualty habitually outperforms most of its competitors due in large part to an alert training and merchandising program for effective control of its large independent agent network. During 1960 stockholders enjoyed a 15% market appreciation in this holding. Such a healthy gain is particularly significant since the improvement occurred despite a 2½-for-1 stocksplit in March, 1960, unaccompanied by an increase in the cash dividend rate. Technically Aetna Casualty effected a 2-for-1 stock split, plus a 25% stock dividend immediately thereafter.

Aetna Casualty's high rank among the five largest stock fire and casualty companies in the nation is maintained largely by strong gains achieved in premium writings. Operations date back to 1907 and presently represent an outgrowth of a 1956 merger with the Automobile Insurance Company, also of Hartford, Conn., and of the latter's two wholly owned subsidiaries. The subsidiary The Standard Fire Insurance Company still retains its identity while the Iowa Fire Insurance Company's assets were absorbed by Aetna Casualty at the end of 1958. All of these companies were affiliates of Aetna Life Insurance Company. Aetna Life presently owns 61.6% of Aetna Casualty's 3,500,000 shares outstanding. Both companies have the same general common management.

Practically all lines of insurance, except life, accident and health, are written by Aetna Casualty in all states of the nation and throughout Canada. General agencies and branch offices approximate 75 in number and about 200 claims adjusting offices are maintained. The branch office system, rarely used in the property and casualty field, aids about 20,000 agents and produces approximately 90% of all premiums written. Supervising general agents handle the remainder. For 1959 property lines accounted for 30% and casualty lines the remainder of total premium volume. Leading property lines include Auto Physical Damage, Fire, and Inland Marine. Auto Liability and Property Damage and Workmen's Compensation are the leading casualty lines. Although Auto Liability underwritings probably continued unprofitable in 1960, Workmen's Compensation may have turned profitable. As to premiums written, the leading states include New York, Massachusetts, California, Pennsylvania, Illinois, New Jersey, Connecticut, Ohio, Texas and Michigan.

Throughout 1960 a unification of the company's casualty, fire and marine operations has been executed. New offices opened included locations at Houston; Baltimore; Spokane; Columbus, Ohio; and Garden City, Long Island. Aetna Casualty still maintains its memberships in the industry's rating bureaus and bureau rates generally are charged. The company has been particularly active in the merit rating automobile plans as well as such monthly payment plans as its Budget-Rite program. Agents are supported by Home Office Sales courses, Home Study courses, and national advertising which give emphasis to the personal service theme. Effort is extended to cementing public relations, exemplified by the company's series of public safety films.

Selected Statistics—Growth and Underwriting Control
(In millions of dollars)

Year	Net Premiums *Written	Net Premiums *Earned	*Admitted Assets	‡Loss Ratio	¶Expense Ratio	Profit Margin
†1960	$301.8	$270.7	----	63.8%	33.3%	2.9%
1959	339.0	322.6	$690.5	62.6	34.8	2.6
1958	306.8	294.4	616.8	62.4	35.6	2.0
1957	279.9	266.6	528.8	64.3	37.0	—1.3
1956	250.2	240.2	504.5	60.6	37.6	1.8
1955	231.6	223.0	470.0	57.7	38.2	4.1

*In millions of dollars. †Nine months, Sept. 30, 1960.
‡Losses incurred to premiums earned. ¶Expenses incurred to premiums written.

For the first nine months of 1960 premiums written increased 14.5% to $301.8 million from $263.9 million for the comparable 1959 period. The underwriting profit margin for the same period increased from 2.7% to 2.9%. Although the loss ratio increased from 62.9% to 63.8%, the decline in the expense ratio more than offset losses for the profit margin improvement. During the 10-year period, 1949-1959, premiums written increased 150%; admitted assets, 185%; and book value gained 171%.

Per Share Statistics
(In millions of dollars)

Year	Approximate Price Range	Investment Income	Earn.	Average P/E Ratio	Dividend	Approximate Book Value
*1960	95—77	$3.70*	$7.50†	11.5	$1.20	$81.49*
1959	83—66	4.36	6.43	11.4	.96	81.29
1958	72—50	3.82	5.23	11.7	.96	73.69
1957	59—48	3.53	2.51	21.3	.96	58.79
1956	57—43	3.23	4.18	12.0	1.08	61.09
1955	73—48	2.96	4.76	12.7	.96	58.39
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1949	24—18	1.56	3.86	5.4	.71	30.00

*Nine months, Sept. 30. †Estimated.

Investment income for 1960 continued Aetna Casualty's consistent upward trend of many years; for the first nine months of 1960 the gain was 17% above the comparable 1959 period, while per share earnings were 22% higher than for the nine months period of 1959. At the end of 1959, approximately 60% of total assets represented bond holdings, primarily municipals, while common stocks accounted for 23% of assets. Investment policy thus can be considered conservative. With an unbroken dividend record dating back to 1908, cash dividends remain highly conservative to investment income. At the recent mean price of 97, a yield of 1.2% is obtained on the present $1.20 annual dividend rate.

For investors wishing to forego income, the stock of Aetna Casualty represents a high quality insurance equity with above average earnings growth characteristics. For even greater diversification purposes, investors can participate in the ownership of Aetna Casualty & Surety through stock of Aetna Life Insurance Company. Including Aetna Casualty operations, Aetna Life Insurance Company is one of the leading "all lines" insurance stocks and it can be expected to participate fully in this growing industry trend.

News About Banks-Bankers

Continued from page 14

stock dividend and simultaneously transfer $30,000 from Undivided Profits Account to the Capital Account and 150,000 from Undivided Profits Account to Surplus Account, increasing the Surplus Account from $3,150,000 to $3,300,000.

The plans for the stock dividend and the selling of new shares were unanimously approved by the members of your Board of Directors.

* * *

The Directors of the **First National Bank of Passaic County, Paterson, N. J.,** have authorized the payment of a 10% stock dividend. Subject to the approval of the shareholders of the Bank and the approval of the Comptroller of the Currency.

The payment of the stock dividend amounting to $500,000, will involve the issuance of an additional 20.000 shares which will be distributed to shareholders on the basis of one share for each ten shares now owned. This action will increase the capital stock of the Bank from $5,000,000 to $5,500,000 represented by 220.000 shares of the par value of $25.00 per share.

* * *

Stockholders of both institutions have approved the merger of the **Allenhurst National Bank and Trust Company** into the **Central Jersey Bank and Trust Company,** N. J. on Dec. 28. It is planned that the merger will take effect Jan. 31, but is still subject to the approval of Federal Banking authorities.

The total resources of the new Bank will be $63,000,000, with deposits of $56,000,000 and capital funds in excess of $4,000,000.

The Officers of the new Bank will be Walton Sherman, Chairman; Robert B. Barlow, President, and Ernest Hall, Executive Vice-President.

* * *

Ralph J. Wahoski, has been elected Executive Vice-President of **Trust Company of Morris County, Morristown, N. J.** George Munsick, President, has announced. He will assume his duties on or about Feb. 1.

From 1948 to 1955 Mr. Wahoski served as Vice-President of the **Old National Bank in Evansville, Indiana,** in charge of all commercial lending and branch operations. He was a member of the Bank's Executive, Trust Investment and Administrative Committees.

* * *

THE FIRST NATIONAL BANK OF PASSAIC, NEW JERSEY

	Dec. 31, '60 $	Oct. 3, '60 $
Total resources	244,938,439	235,434,586
Deposits	223,084,892	210,139,520
Cash and due from banks	37,551,018	37,600,370
U. S. Government security holdings	45,653,470	40,875,660
Loans & discounts	127,446,836	123,645,198
Undivided profits	4,094,592	5,113,626

* * *

The Mechanics National Bank of Burlington, Burlington, N. J., has increased its common capital stock from $562 500 to $703,125, by the sale of new stock, effective Dec. 9. (Number of shares outstanding—140,625 shares, par value $5).

* * *

The York National Bank and Trust Company, York, Pa., with common stock of $1,485,000 and the **York Trust Company, York, Pa.,** consolidated under the title of **The York Bank and Trust Company,** effective as of Nov. 23.

* * *

The Board of Directors of **National Bank of Commerce, Norfolk, Va.** announces the retirement of S. T. Northern, President and C. M. Etheridge, Senior Vice-President.

* * *

Directors of **The National City Bank of Cleveland, Cleveland, Ohio,** have approved the transfer of $5,000,000 from the Bank's Undivided Profits to Surplus effective Dec. 30, Chairman Francis H. Beam and President John S. Fangboner announced. The transfer will raise National City's Surplus to $43,704,000. Capital will remain unchanged at $21,296,000.

* * *

Edward J. Yuhas has been appointed Manager of the new Chagrin-Brainard Office of **The National City Bank of Cleveland, Cleveland, Ohio,** President John S. Fangboner announced. It will open for business Jan. 6.

* * *

By a stock dividend, **the Mercantile National Bank of Hammond, Hammond, Ind.,** has increased its common capital stock from $750,000 to $1,000,000, effective Dec. 20. (Number of shares outstanding—40,000 shares, par value $25).

* * *

The First National Bank of Warsaw, Warsaw, Ind., with common stock of $285,000, and the **Peoples Bank of Claypool, Claypool, Ind.,** with common stock of $25,000 have consolidated under the title of First National Bank of Warsaw, with capital stock of $340,000, divided into 17,000 shares of common stock of the par value of $20 each. It is effective as of Dec. 15.

* * *

The Merchandise National Bank of Chicago, Chicago, Ill., has increased its common capital stock from $1,800,000 to $2,000,000 by a stock dividend, effective Dec. 13. (Number of shares outstanding — 200,000 shares, par value $10).

* * *

The retirement of Chester R. Davis, Senior Vice-President of **Chicago Title and Trust Company, Chicago, Ill.** is announced by Paul W. Goodrich, President of the company.

He will continue as a Director of Chicago Title and Trust Company.

* * *

By a stock dividend, **The Belleville National Savings Bank, Belleville, Ill.,** has increased its common capital stock from $500,000 to $600,000, effective Dec. 15. (Number of shares outstanding—48,000 shares, par value $12.50).

* * *

The Second National Bank of Danville, Danville, Ill., has increased its common capital stock from $500,000 to $750,000, by a stock dividend, effective Dec. 21. (Number of shares outstanding—30,000 shares, par value $25).

* * *

The application of the **Peoples State Bank, New Boston, Mich.,** to merge with the **Security Bank, Lincoln Park, Mich.,** under the title of **Security Bank, Lincoln Park.**

THE MARKET . . . AND YOU

BY WALLACE STREETE

The stock market that started out so well last year, only to turn into one of 1960's biggest duds, began the new one on a downbeat that was, at best, disconcerting to those who still had hopes there was some life left in the year-end rally.

The final standing of the averages showing industrials down around 10% on the year, rails around 17½%, and utilities up better than 9%, reflect changes that had to be considered mild against even the recent market action in years such as recession-ridden 1957.

So hopes have been high that a business upturn in early, or mid-1961, might be anticipated by the market and add up to a picture of the worst of the recession being over for stocks. A poor beginning is hardly the way to confirm such hopes.

Actually, there was little reason for the market to act differently since the government's change-over to a new Administration adds a note of uncertainty that won't be cleared up in January and maybe not until well into February. The market seldom thrives on uncertainty.

And a couple of days in a new year is hardly the time element needed to show evidence that business is even beginning to perk up. There are also the annual reports to be digested, and no hopefuls exist who expect these to make cheerful reading, particularly in the profit column.

Price Damage Mild

Actually, the damage to the industrial average, of less than 64 points for 1960, was mild in comparison with the previous recession year of 1957 when the average had started out with a reading less than 500 and sold down to 435.

The actual loss in 1960 was 63.47, that in 1957, 63.78. The rail average in 1960 lost 23.20 while in 1957 it was cut back 56.27 points. That year, too, the utility average was able to cling to a modest gain while last year it was the bright spot with a gain of 12.19 points. So at least as far as 1960 was concerned, it was not a very exceptional year except, perhaps, for the variety and number of issues that were able to make good progress against the tide. These included American Telephone which finally eclipsed the equivalent previous all-time high, that of 1929, in the final session of 1960.

One concrete result of the market's sick ways was that the year-end predictions were far more guarded from the profusion of glowing expectations being voiced a year ago. But they were modestly hopeful that the business upturn would come during 1961, and that it wouldn't be as dreary a year as was 1960. The element of debate is just when business will turn up, and here the predictions range all the way from the first quarter to the year's final quarter. And that is a wide gap that isn't especially encouraging to an early market upturn.

Recession Sufferers

It did, however, make prominent some of the items that have suffered most through the recession, steels being leaders in this category, and shifted the market analysis away from some of the shares that carried the ball of investment favor through the market's upset. Electronics, which fared so well when other sections were under a cloud, were among the prime items under profit-taking pressure as the new year dawned.

It wasn't lost on the research and market analysts that even during the year-end cleaning up, the markets were exceedingly selective, to the point where in one session there was a difference of only three between plus and minus signs. High selective demand could continue in the new year to bolster favored issues whichever way the general market, as measured by the averages, was supposed to be going.

There was even a clan building up that decided to forego any such year-end predictions for the "market" since the selectivity made such forecasts at least useless, and largely outmoded. And last year's were so off base the game is even getting risky.

Defense Issues in Demand

Defense stocks were favored, because at the worst there seems to be no chance of a letdown in government spending and, at best, there might be step-ups to improve their fortunes. Then, too, the issues in this group except for the electronic and a few missile ones, have been well deflated from the peaks of recent years. And even picking the right ones out of the welter, and shifting emphasis changes the outlook for individual companies, wasn't a chore that came easy just because it was Dec. 31, or Jan. 1.

Oils were liked, particularly the domestic ones. Autos weren't in much favor, largely because the government view on 1961 production was scaled considerably lower than the industry forecasts which, in the past, have been somewhat too optimistic at the year-end.

There was some following building-up for the tire shares, particularly where, like in Goodrich, the shares were available at almost half of the 1959 high, and the general rubber business is holding well. The rubber companies in recent years have made good strides in lessening their dependence on tires alone, and have branched out into general rubber goods, plastics and chemicals.

Break-Out in Biscuits

In the biscuit field the comparatively neglected Sunshine Biscuits was in the limelight by scoring a solid new high to start off the year, a move not entirely unexpected by followers of the issue.

Prior to its breakout, Sunshine had held for the year in the narrow range of only a shade over 16 points, despite the fact that it comes to life usually at least once a year. It is one item where constant sales increases have been a fixture for nearly half a century and are expected to post another record high level for 1960, with an earnings improvement commensurate despite the profit-pinch apparent elsewhere. It has the capacity to be a volatile performer since there is only a bit more than a million shares outstanding. So its mundane performance last year was an unusual siesta. In view of its 1959 peak of 106, it has been inactive for more than a year.

The dividend on Sunshine in 1959 was earned half-again over, and improvement in 1960 makes it more and more a candidate for an extra dividend at least, if not a stock split sometime soon. It hasn't been split since 1946.

Industrial Machinery in Demand

To those expecting an early upturn in general business, the shares of makers of industrial machinery are liked. Chicago Pneumatic is the above-average yielding item in that group, offering nearly 5% at recent price levels. Chicago Pneumatic was another slow-moving item in 1960, never extending its spread to as much as eight points. Chicago's expanded sales record posted last year was achieved with a gain in profits, unlike the overall pattern for industry. It has been one of the more aggressive in its field in diversifying, developing new products and expanding abroad. Its foreign business contributes about a fifth to volume, and the important replacement and repair business, a mainstay when new orders might lag, contributes around a third.

There wasn't much mention of the rails although they have been as thoroughly depressed as any other major group and there are some in the group that spell out quality and high yield. Norfolk & Western is in the 5% return bracket, just about to show the benefits of its merger with the Virginian and was able for the first three-quarters of the year to lift net income slightly despite a small slip in revenues. The company confidently predicts higher earnings for the full year, which makes it a thriving member of a group not held in much general regard for profit prowess.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Van Alstyne, Noel Appoints Mawdsley

Lorrin C. Mawdsley has been named syndicate manager of Van Alstyne, Noel & Co., 40 Wall St., New York City, a member of the New York Stock Exchange and the American Stock Exchange. Prior to his new appointment, Mr. Mawdsley was head of the dealer relations department.

Now Robt. K. Wallace Co.

CHICAGO, Ill.—The firm name of Wallace, Geruldsen & Co., 105 West Adams Street, has been changed to Robert K. Wallace & Company.

With Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Fred R. Zander is now with Walston & Co., Inc., 201 South La Salle Street.

Russell, 50 Years Cotton Exch. Mem.

Thomas F. Russell, Jr., a member of the New York Cotton Exchange, on Dec. 30 celebrated the 50th anniversary of his election to membership in this, the world's oldest and largest cotton market.

In observance of the occasion, Tinney C. Figgatt, Chairman of the Board, presented to Mr. Russell a scroll engrossed with the resolutions adopted by the Board of Managers in recognition of Mr. Russell's contributions to the welfare of the New York Cotton Exchange and to the cotton trade.

As a further memento of the occasion, Mr. Russell was presented with a handsome silver tray with the compliments of his fellow members.

Dominick Representatives

Dominick & Dominick, 14 Wall Street, New York City, members of the New York Stock Exchange, have announced that Henry M. Blackmer II has become the firm's European representative with headquarters in Paris. G. Pagnamenta, formerly Paris representative, will be located in New York.

Outlook for Federal Budget

By Murray L. Weidenbaum,* *Corporate Economist, Boeing Airplane Co.*

Corporate economist maintains that latest forecasts of Budget surplus for fiscal 1961 are vulnerable to declining business activity and profits prospects over next several months. Mr. Weidenbaum holds Federal financial operations are likely to have a restrictive effect on business during next six months, stemming from seasonal patterns of revenues and disbursements. States defense expenditures have constituted a declining proportion of the Federal Budget over recent years. Presents five fundamental trends affecting level and composition of military expenditures, including shift from manned aircraft to missile weapon systems, and transfer from production operations to research and development.

The latest official forecast of the Federal budget shows a surplus for the fiscal year ending June 30, 1961, of $1.1 billion, approximately the same amount of surplus as was actually achieved in the fiscal year 1960. This prospective balanced budget is based on an increase in budget expenditures of $3 billion over 1960 and an almost equal rise in revenues, from $78 billion to $81 billion (see Table I).

M. L. Weidenbaum

The estimated rise in expenditures takes place mainly in nondefense programs, primarily as a result of the recent general pay raise for Federal civilian employees as well as large increases for the farm price support program and for payments of pensions to veterans.

The anticipated rise in revenues is based on the assumption of "continuing high levels of employment and income." Specifically, it is expected that total corporate profits for the calendar year 1960 — the taxes on which will be collected in the main during fiscal 1961—will be $47 billion, which would equal the record attained in the calendar year 1959. Total personal income is assumed to rise sharply, from $383 billion in 1959 to $405 billion in 1960.

TABLE I
Federal Budget Fiscal Years
(In Billions)

	1960 Actual	1961 Estimate
Receipts ------	$78.4	$81.5
Expenditures --	77.2	80.4
Surplus ---	$1.2	$1.1

The balance of this discussion of the short-run outlook for the Federal budget is based on these official estimates. If, as some observers expect, the overall level of business activity will be declining over the next several months, them these estimates may prove to be too optimistic. For the first half of 1960, corporate profits before taxes were running at the projected annual rate of $47 billion and personal income at the rate of $400 billion a year.

The seasonal pattern of governmental revenue and disbursements is of significant importance to the analysis of short-run developments. Due in large part to the familiar April 15 deadline for Federal income tax returns, revenues usually reach a seasonal peak in the April-June quarter and decline sharply in the following months. Hence, Federal revenues are seasonally low during July through December, and correspondingly high during January through June.

Federal expenditures do not show as strong a seasonal pattern, although they tend to rise during the final quarter of the fiscal year, as a result of so-called June buying. As a result, even with the slight overall projected balance in the Federal budget for the current fiscal year as a whole, governmental financial operations have been exerting a strong expansionary effect during the past six months. Budget expenditures are likely to exceed budget receipts by almost $6 billion for the period July through December 1960.

Likewise, Federal financial operations are likely to have a general contractionary effect on the level of economic activity during the next six months, on account of the seasonal patterns of revenues and disbursements. During January through June 1960, the Federal Government operated at a surplus of $8 billion, although the net surplus for the total fiscal year was only $1 billion. Assuming the same seasonal pattern, a similar surplus—almost $7 billion —is likely during the coming six months.

However, attention also has to be given to the level of new orders placed, for often the economic impact of government spending programs occurs at the time that contracts for new business are let with private industry. On this basis, the outlook for the coming year may be more positive, in that the rate of ordering, particularly for military equipment, appears to have picked up in recent months. It is likely that the new Administration which takes office next month will increase the rate of contract letting, and ultimately the rate of expenditures, further still.

Composition of Federal Expenditures

Since the termination of the Korean fighting, the overall level of Federal spending has tended to be upward. From a level of $64 billion in 1955, expenditures have risen to the current annual level of $80 billion.

The major proportional increases during this period have occurred in nondefense functions. Expenditures for the major national security programs rose 12% during the past six years. In comparison, Federal spending for commerce and housing programs rose 152%, labor and welfare programs rose 74%, natural resource development rose 68%, and the civilian overhead expenses (general governmental functions) rose 66%. The remaining domestic categories of the budget had less spectacular rises, but still above the 12% for national security. Expenditures for agricultural programs increased by 23%, and veterans services and benefits by 19% during the past six years.

As a result, defense expenditures have been a declining portion of the Federal budget in recent years. In fact, if an adequate price deflator were available, it is likely that it could be shown that in real terms the overall level of defense spending has stabilized or even declined.

The current expenditure estimate of $80 billion for 1961 represents an increase of $3 billion over the amount actually spent during the fiscal year 1960. Of this amount, one-half billion dollars is budgeted for the Department of Defense. The remainder, a $2½ billion increase, occurs in nondefense programs. Private studies of the long-run outlook for the Federal budget, such as the ones prepared by the National Planning Association and the Committee for Economic Development, tend to conclude that the defense programs are likely to rise in absolute amounts but to receive a declining share of the Federal budget in the future.

Major long-run increases in the level of Federal spending are expected to occur in the areas of aid to education and housing, development of water and other natural resources, health and related welfare programs, and similar nondefense activities which are geared to a rising population, increasing urbanization, and a growing economy.

Trend of Defense Expenditures

Overall expenditures of the Department of Defense are expected to rise slightly, from $41.2 billion in 1960 to $41½ billion in 1961. This increase of $300 million mainly covers the portion of the Civil Service pay increase which goes to the civilian employees of the military establishment.

Over the past decade, aircraft and missile procurement has been the major growth sector of the military budget. The long-run outlook is for missile expenditures to continue their upward trend and for aircraft expenditures to continue to decline, as a result of the shift from manned to unmanned vehicles for many types of military missions. However, as a result of the specific timing of individual program phase-ins and phase-outs, total procurement expenditures for both missiles and aircraft are expected to decline from fiscal 1960 to fiscal 1961. Expenditures for research, development, test, and evaluation, are expected to rise, although by a smaller amount.

Forecasting short-term changes in military expenditures and programs is inherently a risky business, possibly even riskier than producing for this fluctuating market. However, a longer-term look at some of the underlying forces making for changes in military spending levels may provide a useful guide to understanding and evaluating the day-to-day and month-to-month developments.

Long-Term Trends

Some of the more fundamental trends affecting the level and composition of military expenditures include the following:

(1) The shift from manned aircraft to missile weapon systems.

(2) The shift in the mix of weapon system cost away from predominantly airframe and structure to complex subsystems.

(3) The successive shifts in emphasis from production to operations to research and development.

(4) The shift from production workers to technical and managerial personnel.

(5) Finally, the broader trend of military spending to rise more slowly than the Gross National Product.

I should like to take up each of these developments in turn.

The shift from manned aircraft to missiles. In 1955, the aircraft programs received over three-fifths of military procurement funds and missile programs less than 6%. The proportions are nearly more even at the present time, although aircraft still dominates. It is likely that annual missile expenditures will begin to exceed aircraft expenditures during the early or middle 1960's.

The decline in the numbers of military aircraft being produced is equally striking. In 1953, 10,600 aircraft were produced for the Department of Defense. In 1956, 6,100 were produced. The 1961 military budget provides for the procurement of only 1,500 aircraft—633 for the Air Force, 658 for the Navy, and 219 for the Army.

The shift in the mix of weapon system cost. As a result in good measure of the shift from aircraft to missiles, but also an account of the increased performance of jet aircraft, a growing percentage of aeronautical procurement is electronics, propulsion, ground support equipment, and other complex subsystems, rather than the airframe and structure itself. The electronic components alone accounted for 34%, on the average, of the total cost of missile production in 1959.

Another way of looking at the shift from airframe to subsystems is to examine the actual number of pounds of airframe produced. Here we find that total airframe production in the United States has been declining steadily from the peak of 148 million pounds in 1953, to 47 million pounds in 1959. The decline has been centered in military production. In contrast, the amount of airframe produced for civilian planes rose during the same period, from 10 million in 1953 to 17 million in 1959.

The successive shifts in emphasis from operations to production to R & D. A decade ago, in 1951, roughly three-fourths of the military budget was devoted to the pay of military and civilian personnel, maintenance activities, office supplies, and other operating costs. Only about one-fourth was devoted to procurement of weapon systems, R & D construction, and other hard goods and related capital-type outlays.

At the present time, personnel and operations barely receive one-half of the military budget, with the other half devoted mainly to procurement of military hard goods. The portion of the military budget devoted to R & D has climbed from less than 4% in 1951 to 9% at the present time. As a harbinger of things to come, it has been estimated that the R & D portion of the total cost of military weapon production has risen from 20% in the case of a long range bomber to 60% for an intercontinental ballistic missile.

The shift from production workers to technical and managerial personnel. As a result of the basic changes which have been occurring in the composition of military procurement, the type of manpower required by defense producers has been altered accordingly. For a typical producer of aircraft and missiles, the percentage of the work force which is hourly production workers has declined from approximately two-thirds five years ago to less than one-half at the present time, and is expected to decline further to one-third by the middle 1960's. In contrast, managerial, engineering, and scientific personnel are expected to rise from one-fifth to one-third of this work force during the same decade. The rising trend in research and development costs relative to production costs of military weapons undoubtedly is the major factor at work here.

The trend of military spending to rise more slowly than GNP. Over the broad sweep of American history, military spending has been rising at a more rapid rate than the overall level of economic activity. However, the increase in military outlays has been much more irregular than the pattern of overall economic growth. During periods of actual war, military spending has risen at rates far greater than the growth in GNP and, conversely, during peacetime periods, GNP has risen far more rapidly.

For example, the expenditures of the Department of Defense rose from 5% of GNP at the outbreak of World War II to 37% at the peak of the war and declined to 4% thereafter. As a result of the Korean mobilization program, the military percentage of GNP rose to a peak of 12% in 1953 and has declined fairly steadily to 8% at the present time.

This means that, despite individual areas of spectacular rise such as the missile and space programs, the military sector as a whole has yielded once again to the civilian economy in terms of primary contribution to economic growth.

Summary

A high and rising level of Federal expenditures is anticipated for the coming year. Overall, the level of military spending may be fairly stable. The rise in military R & D will not completely offset a small temporary decline in aircraft and missile procurement expenditures. The civilian space program, however, will be accelerating. The longer-term outlook is for increasing Federal expenditures for security programs, especially for missile and spacecraft development and procurement.

*A paper by Mr. Weidenbaum before the University of Washington Business Outlook Conference, Seattle, Wash.

Brown Brothers Appoints Three

The banking firm of Brown Brothers Harriman & Co., 59 Wall Street, New York City, members of the New York Stock Exchange, announces the appointment as of Jan. 1, 1961 of David S. Ligon as a Manager and Olga E. Fluck and George E. Schafer as Assistant Managers in the New York office. Noah T. Herndon, George D. Rattray and William E. Thrasher have been made Assistant Managers in the Boston office.

David S. Ligon

Mr. Ligon, head of the Tax Department, has been with the firm since 1943. He is a member of the Bar of New York State and the District of Columbia and has been admitted to practice before the United States Supreme Court, the Tax Court of the U. S. and the Treasury Department. He is a past Chairman of the Committee of Banking Institutions on Taxation, New York City, and has served on the Executive Committee of that organization for the past several years. Mr. Ligon is also a former Chairman of the New York Committee of Brokers and Dealers on Taxation.

Miss Fluck and Mr. Schafer are specialists in U. S. Government and Municipal Bonds. Miss Fluck has been with the firm since 1935 and is the first woman to be made an officer by Brown Brothers Harriman & Co. in its 142 years of existence. Mr. Schafer came with the firm in 1946. He will become head of the Bond Department as of the first of the year on the retirement of Gale Willard, Manager.

Mr. Herndon is a Banking Department Executive. Mr. Rattray, with the firm since 1936, is in charge of the Securities Department in the Boston office and Mr. Thrasher, with Brown Brothers Harriman & Co. since 1937 heads the Boston Foreign Department.

Dillon, Read Names Three Vice-Presidents

Dillon, Read & Co., Inc., 46 William Street, New York City, have announced the election of Nicholas F. Brady, Mark M. Collins and Fred L. Heyes as Vice-Presidents.

Dean Landis SEC Study Calls for Faster Action

No stranger to SEC's activities, Mr. Landis' study of the agency concludes seasoned securities' registration should be simplified and larger appropriations should be made to the Commission. The former Harvard Law School Dean, Federal Trade Commissioner and SEC Chairman would confine deficiency letters to promotional and speculative securities, and suggests tendency of certain commissioners to judge the quality of securities be dropped in favor of controls over certain fringe selling groups, brokers and dealers, and investment advisers. He criticizes hesitancy to issue important regulations and to make rapid decisions; chides Commissioners for their numerous speeches and articles while being unable to enunciate the grounds for their conclusions on cases; and favorably comments on the idea of extending disclosure to over-the-counter securities—particularly bond and insurance stocks.

At the request of President-elect Kennedy, James M. Landis made a study of all the Federal regulatory agencies which he submitted on Dec. 26, 1960. The full text of his findings regarding the Securities Exchange Commission follows:

"The problems of the Securities and Exchange Commission are relatively simple. Much of the delays that characterize its operation stem from the fact that it, more than any other agency, has been starved for appropriations. Even the recent increases have not restored the amounts formerly available. What has been responsible for this attitude other than pure ignorance as to the significance of its functions is difficult to fathom. But more than increasing its appropriations is necessary.


James M. Landis

"Much of the delay that attends the registration of securities could be eliminated by providing for simpler forms of registration and a simplified supervision of the process of registration with respect to seasoned securities, bonds and debentures with an A or B rating and preferred stocks that for a past period have shown an appropriate ratio of earnings to dividends payable on such stocks. In the case of seasoned securities of this nature, the issuer and underwriter should be relied on to furnish full and accurate statements of fact and deficiency letters could be substantially abolished. It could also relieve from registration requirements certain admittedly technical public offerings for which registration is now technically necessary. The necessity for maintaining a currently effective registration statement on convertible securities, options and warrants, when an adequate market exists for the basic securities and adequate information is available in annual financial reports or proxy statements, is an example of a situation where registration is unnecessary. The issuance of restricted options to groups of employees not too excessive in number is another such example. More of them can be found. Relieving the Commission and the industry of the necessity for acting on registration statements in such situations would clear the Commission's docket to some degree and relieve the industry of unnecessary costs.

Tackling Financial Piracy

"The deficiency letter, a most valuable extra-legal development, has a real place with regard to the more promotional and speculative securities. There has grown up over the years a considerable tendency to indulge in lint-picking in these letters, resulting in delays and unnecessary costs. Another tendency has become noticeable due to the attitude of certain Commissioners shortly following World War II. This is to move away from the legislative standards of full disclosure to a judgment on the quality of the securities being registered. The history of state security regulation in this respect gives ample evidence of the undesirability of establishing a bureaucracy with powers of this nature. True, there is every temptation to move in this direction as one views as a whole the rapacity of promoters and underwriters and the unwillingness of a greedy and speculative public to try to understand the simplest facts about corporate finance. But control and supervision over the activities of the selling group and the marginal fringe of brokers and dealers making markets in these issues, can do more to dampen this type of financial piracy than the use of the registration powers for purposes for which they were not intended.

"Similarly controls should be extended more widely as against so-called investment advisers many of whom have morals not exceeding those of tipsters at the race track. Even our conservative newspapers carry horrendous advertisements as to the prowess of particular advisers and the aura that these advisers have engendered has led to imitation of their tactics by large and respectable brokerage houses. Here is a field that the Securities and Exchange Commission is beginning to plough and money made available for such a purpose will pay ample dividends in turning savings away from rank speculation to reasonable investment.

Criticizes SEC's Hesitancy

"One serious feature of delay on the part of the Securities and Exchange Commission lies in the issuance of regulations and forms. Important regulations have been delayed for years. Some reason for this delay lies in the inherent complexities of the problems and the commendable practice of the Securities and Exchange Commission, so different from that of the Federal Aviation Agency, of affording opportunities to the industry to comment on proposed regulations. But an element of delay arises from the incapacity of the Commissioners themselves to grasp the essence of these problems and the significance of their resolution to the financial community. Because of the excellence of its staff and the inherent complexities of the problems, the Commission in a sense is the captive of its staff. It appears to be incapable at times of resolving differences within the staff and the resultant inaction makes for delay. The recent confirmed appointment of a career employee as a Commissioner may provide some remedy for this situation. But it points up the absolute necessity for having qualified individuals as members of the Commission.

"Rapidity of decision in many matters is more important in the Securities and Exchange Commission than in most of the other regulatory agencies. The failure to get a decision or delay in making a decision is in itself defeat in many cases. Delegation thus becomes essential. Too little of this characterizes the work of the Commission and, when it does exist, the line of delegation is not clear. Decisions, important decisions, are made by subordinates at fairly low levels and, because of time pressures of such importance to the business of financing, their decisions have to be accepted. On the other hand, in such simple matters as the acceleration of the effective date of registration statements decision is not delegated and unnecessary time is consumed by the Commission in dealing with a problem that in nine out ten cases is simple of solution.

Would Change Opinion Writing Process

"The Securities and Exchange Commission has an opinion writing section whose quality is high, if not the highest among the agencies. Nevertheless, it should be abolished and individual Commissioners held individually responsible for the enunciation of the grounds upon which conclusions of the Commission are stated to rest. If the numerous speeches and articles of the various Commissioners are a test of their capacity for articulation, this should not be an impossible task.

"The extension of the Commission's power of forcing appropriate disclosures with respect to securities in the over-the-counter market—an extension long urged by the Commission—is a matter for legislative action. As an ideal it has basic merit, particularly with respect to categories of securities, such as bank and insurance stocks, which have traditionally refrained from listing on the stock exchanges. As a practical matter, certain restraining lines have to be drawn, perhaps tighter than those presently suggested by the Commission.

"From the standpoint of the formal Presidential action needed with respect to the Securities and Exchange Commission, the only thing required is further strengthening the powers granted to the Chairman in 1950 to the full extent heretofore suggested for the Interstate Commerce Commission and the implementation of its powers to delegate adjudicatory matters to hearing examiners and employees."

Tucker, Anthony Trenton Branch

TRENTON, N. J. — Tucker, Anthony & R. L. Day today announced the opening of their newest branch office at One West State St., to conduct a general investment and brokerage business.

In opening the Trenton office, Tucker, Anthony & R. L. Day is continuing the brokerage business formerly done by W. E. Wetzel & Co. which firm will continue in the investment business but will confine its operations primarily to counselling and advisory work. For many years, W. E. Wetzel & Co. was a correspondent firm of Tucker, Anthony & R. L. Day in Trenton.

The new office will be under the joint management of Rowland C. Hike, formerly of the New York office of Tucker, Anthony & R. L. Day and James H. Rendall, Jr., formerly with W. E. Wetzel & Co.

Also associated with the new office will be Lindsey Parsons, formerly with the New York office of Tucker, Anthony & R. L. Day and Charles F. Schauer, formerly with W. E. Wetzel & Co.

A. Whitemont Opens

Aaron Whitemont is conducting a securities business from offices at 271 East Kingsbridge Road, New York City.

F. Eberstadt & Co. Admits Three To Partnership

Eberstadt & Co., 65 Broadway, New York City, has announced the admission of Edward Burns, II, Samuel Chandler, Jr., and Bradford Mills as Partners of the firm, effective Jan. 1, 1961.


Edward Burns II


Samuel Chandler, Jr.


Bradford Mills

Mr. Burns joined the firm in 1946 and is national sales manager for the distribution of Chemical Fund shares. In 1958, he was elected a Vice-President of the firm's managing and distributing subsidiary.

Mr. Chandler joined F. Eberstadt & Co. in 1944 and since 1946 has been sales manager for the distribution of shares of Chemical Fund and other securities in the New England and Middle Atlantic States territories. In 1958, he was also elected a Vice-President of the firm's managing and distributing subsidiary.

Mr. Mills joined Eberstadt in early 1956 where he has served as a member of the New Business Department.

G. P. Ballough Opens

DAYTONA BEACH, Fla.—Gerald P. Ballough is conducting his own investment business from offices at 158 Michigan Avenue under the firm name of Gerald P. Ballough Company. Mr. Ballough was formerly with T. Nelson O'Rourke, Inc.

MUTUAL FUNDS

BY ROBERT E. RICH

They Is Getting Bigger All the Time

Middle-age folks and senior citizens familiar with the marketplace can attest that there was a time when the daily fare of rumors almost invariably included something that went like this: "They're going to take the stock in hand."

They always seemed to be doing or about to do one of two things: buy or sell. *They* were never on the sidelines, if the rumor mongers could be believed. After all, no one gets rich from sidelined investors.

But whether people were buying or selling or just watching, no one ever made it quite clear who *they* were. From this Wall Street folklore there emerged in time a hazy picture of a group of men gathered in a smoke-filled room, making a decision on some stock and then communicating that verdict to other favored colleagues. The result, few doubted, would lead to a sharp rise or a precipitate fall in the issue. Indeed, there were many who believed that *they* determined the course of the entire market.

These mysterious dignitaries impress even the gullible in our time. But dwarfing these sinister figures now is an honest-to-goodness power clique who not only keep the small fry guessing but baffle big time veteran traders. The new *they* are the institutional investors who account for a steadily increasing share of trading. They also represent a stabilizing influence in the stock market by buying while individual investors are selling.

These are among the conclusions of a study made by the New York Stock Exchange on the practices of institutional investors. The study was made in September and covers a five-day trading period. Institutional investors, according to this report, held about $50 billion worth of equities listed on the Big Board earlier this year, or about 17% of the total value of the list. According to the exchange, there are two major types of such investors: institutions, including insurance companies, mutual funds and pension funds, and the intermediaries. The intermediaries are described as commercial banks, trust companies and securities firms that are not members of the exchange but which channel orders through the exchange.

The Big Board tells us that in the period under study institutional operators, taken as a group, purchased more stock than they sold. It is interesting to note that they were buyers on balance at the very time that share prices on the average had reached their lowest level in a year. As the exchange puts it: "This was evidence of the stabilizing nature of institutional transactions."

Along with stability, the institutions bring volume to the daily trading. Thus, the exchange has revealed that the institutions and intermediaries contributed 24.3% of the total volume of trading on the Big Board, according to a one-day sampling in September. A prior study showed them contributing 22.8% of total volume one day in June of 1959. It is a fact that since 1953 institutional investment has been making up an ever large share of trading.

The most recent survey indicates that 7,500,000 shares of stock were bought and sold by the institutions and intermediaries in the five-day span. That was something like 24% of all volume. Commercial banks and trust companies accounted for the largest single segment, about 40%. The mutual funds were a distant second with 17.5%.

So the rumor mongers can still have a field day with their inside dope on who's buying (or selling) what. Of course, this is a career fraught with perils, for the mutual funds, as an example, have a nasty habit of disclosing their dealings at periodic intervals. These disclosures are not calculated to add to the integrity of the people whose stock in trade is baseless gossip.

Some of the more conscionable counselors have even taken to poring over these reports and thus are able to say without a twinge that the funds are buying this or selling that. While such information may be somewhat late, it at least has some basis in fact. Still, it does seem foolhardy to pay for this kind of intelligence when the investor could be the beneficiary of mutual fund management with all its diverse powers.

It probably goes a long way to explain, at that, the rising preference of the public for institutional management. But the figures pointing to the growth of such investment mediums as mutual funds still must vie with Barnum's statistics, which reported: "There's one born every minute."

The Funds Report

American Business Shares, Inc., in the annual report for the fiscal year ended Nov. 30 announced net assets of $25,363,096 and net asset value a share of $4.24. This compares with $26,437,328 and $4.39 a year earlier. During the latest year this balanced fund added to holdings the common stocks of Alterman Foods, Genesco, McCall Corp., Schlumberger Ltd. and F. W. Woolworth. It also added American Cement preferred and the convertibles of Cenco Instruments, Spiegel, Talcott and United Airlines. Over the same span it eliminated common stocks of National Biscuit, Standard Brands and Stauffer Chemical, and also disposed of these preferreds: California Oregon Power, Kansas City Power & Light, Kansas Gas & Electric, Long Island Lighting, Pacific Gas & Electric, Pennsylvania Electric, Potomac Edison, Safeway Stores, Texas Eastern Transmission and Union Electric Co.

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Total net assets of **Bullock Fund, Ltd.,** the growth fund of the Calvin Bullock group, reached a new year-end high of $56,153,046 at the conclusion of its 28th fiscal year on Nov. 30. Assets on the same date a year earlier were $54,706,641. On Nov. 30, net asset value was $11.98 per share, compared with $13.18 at the 1959 year-end. In the 1960 fiscal year the company reported an increase of 13% in the number of shares outstanding, Mr. Bullock said.

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Canadian Fund, Inc. reports total net assets at the close of the Nov. 30 fiscal year of $37,574,113; and net asset value a share of $15.48. This compares with year-earlier figures of $43,655,206 and $17.19.

* * *

Net assets of **Commonwealth Income Fund** totaled $19,952,042 on Nov. 30, the end of its third fiscal year, Chairman S. Waldo Coleman and President Robert L. Cody informed stockholders in the annual report. The total compared with net assets of $14,756,589 on Nov. 30, 1959. The increase reflected investment of additional money by new and old shareholders. Net asset value per share at fiscal year-end was $8.66 per share, compared with $8.99 a share a year earlier.

New common stock investments made in the past six months included American Can, Central Maine Power, Glidden Co., Minnesota and Ontario Paper, Standard Oil (New Jersey) and Tennessee Gas Transmission.

Common stocks eliminated from the portfolio in the period were: American Agricultural Chemical, American Brake Shoe, American Tobacco, Celotex, Foremost Dairies, Louisville & Nashville Railroad, Sinclair Oil and Tennessee Gas Co.

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Composite Bond and Stock Fund reports that at the close of the Nov. 30 fiscal year net asset value a share was $18.76, against $18.42 at the start of the year.

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Delaware Fund has completed "an important new equity position" in Atlantic Refining while **Delaware Income Fund** has added Bzura Chemical bonds and common stock, according to Delaware Management Co., Inc.

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Financial Industrial Fund, Inc. reports net assets at the close of the Nov. 30 quarter totaled $185,945,058, equal to $3.99 a share. This compares with $167,131,970 and $4.39 a share a year earlier. Shares outstanding at latest report amounted to 46,606,176, against 38,065,716 on Nov. 30, 1959. The company reports that during the latest quarter new positions were taken in the business - equipment field, including 4,600 shares of Addressograph-Multigraph, 5,000 American Photocopy Equipment, 19,000 Burroughs Corp. and 23,000 shares of National Cash Register. During the three months FIF also established new positions in Broadway-Hale Stores, Champion Spark Plug, Motorola, Transitron Electronics and the convertible debentures of United Airlines.

* * *

Institutional Income Fund, Ltd. reports for the fiscal year ended Nov. 30 net assets of $35,574,249, or $6.06 a share. This compares with $36,060,548 and $6.65 a share a year earlier. During the year share total rose to 5,864,113 from 5,270,113.

* * *

Total sales of $141,904,657 produced in the six weeks from Oct. 31 to Dec. 10 by **Investors Diversified Services'** nationwide sales force topped all previous records achieved during the annual autumn sales campaign and passed by nearly $12,000,000 the 1960 national goal. The 1959 campaign produced total sales of $141,752,196.

* * *

Total net assets of **Investors Variable Payment Fund, Inc.,** mutual fund affiliate managed by Investors Diversified Services, Inc., increased 24.82% to $157,238,203 as of Nov. 30, from $125,968,051 a year earlier, Harold K. Bradford, President of the fund, announced in its annual report. Net asset value of the shares was $5.83 on Nov. 30, 1960, compared with $5.97 at the close of the prior fiscal year. Shares outstanding climbed to 26,962,899 on Nov. 30, 1960 from 21,102,534 at the close of fiscal 1959.

* * *

Mutual Trust, reporting for the fiscal year ended Nov. 30, lists a decline in asset value per share to $2.93. A year earlier the figure was $3.37. In March of 1960 per share value was put at $3.15 and rose to $3.18 in May and $3.22 in August.

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Philip C. Smith has been named vice - president and director of sales of **National Securities & Research Corp.** He has been vice-president in charge of its Chicago office since May, 1959.

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Over - the - Counter Securities Fund, Inc. of Oreland, Pa., reports these additions to holdings: Crown Photo, Whitmoyer Laboratories, Scott, Foresman & Co., Leeds & Northrup, Taylor Publishing and Swingline.

* * *

Gordon H. Chambers, former president and chairman of the board of Foote Mineral Co., has been elected a trustee of **Rittenhouse Fund.**

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Wellington Management Co., which with its subsidiaries, is the manager-sponsor for Wellington Fund and Wellington Equity Fund, issued its first annual report since the company's shares became owned publicly and by executives. Walter L. Morgan, President, reported that earnings applicable to common stock for the fiscal year ended Oct. 31 were $834,255 or 92 cents per share, on 905,840 shares of common stock outstanding. This compares with pro forma earnings of $796,818 or 88 cents per share for the preceding 12-month period.

Corporate Bond Volume Expected to Decline in 1961

Halsey, Stuart & Co.'s annual survey of bond financing, post present, and future, anticipates further easing in long-term interest rates this year. It also foresees further decline in corporate offerings, a substantial volume of tax-exempts, and uncertainty in the area of the Treasury financing potential.

Corporate bond volume in 1960 probably exceeded that of 1959 while tax-exempt bond volume was only slightly behind the record set in 1959, in the face of one of the bond market's "more confusing years," Halsey, Stuart & Co. reported in its annual year-end survey of the nation's bond market.

Likelihood of 1960 being a bigger year than '59 for corporate issues despite 1960's "uncertainties and lack of buyer acceptance at times" was based on a comparison of first-10-month offerings in the two years. Corporate volume totaled $6.6 billion in the 1960 period as compared with $5.8 billion in the comparable months of 1959. Tax-exempt bond offerings totaled $7.2 billion in 1960, not quite equal to 1959's record of nearly $7.9 billion, but still very sizable, the survey said.

Actions of the bond market during the past 12 months were described as "bewildering to underwriters at times because of the lack of response to the usual influences and sometimes frightening to buyers who were unusually cautious."

Contributing to the confusion were such factors as: failure of the anticipated business recovery to materialize (as reflected in the decline in inventory spending), which caused a downward revision of proposed expenditures for plant and equipment; political pressures; heating-up of the cold war; and continuation of our gold losses.

Bond Prices in 1960

The relatively high interest rates that carried over from late 1959 into 1960 attracted a considerable amount of equity money into the bond market this past year, Halsey, Stuart observed. Early in the year, with yields higher for bills and short-term Treasury issues than for intermediate and long-term issues, corporations found the short-term market extremely attractive. "As a result, they practically dominated it," the survey noted.

"Bill and short-term Treasury rates continued to exceed intermediate and long-term rates until March when a fairly steady decline, more pronounced for short-term issues, set in. This decline continued until early August when bill rates reached about 2.13% and long-term Treasury bonds about 3.56%. Thereafter there was a steady increase in rates for intermediate and long-term Treasuries, with a consequent increase in prices, until December when there was substantial improvement in prices for long-term Treasury bonds.

"Prices for tax-exempt bonds behaved quite similarly, opening the year at their lowest price (or highest yield), reaching their highest price in August and continuing near their high since that time, except for a few weeks in September and October when an abundance of offerings temporarily reversed the trend.

"The shift in Federal Reserve policy toward greater credit ease (in 1960), while not completely ignored in the bond market, had but slight or short-lived effects on intermediate and long-term prices. Consequently, there was a noticeable buyer preference for short maturities pending clarification of the trend for long maturities."

Size of Offerings

There were but five corporate offerings of $100 million or more, the largest of which was American Telephone and Telegraph's offering of $250 million. This, together with the $567 million total offered by 12 of its subsidiaries, accounted for more than $800 million of bonds in 1960.

Fewer big tax-exempt issues in 1960 than in '59 account in part for their lower volume, Halsey, Stuart said, though there were seven in the $100 million or more category. The largest single issue was a $200 million offering by Chesapeake Bay Bridge and Tunnel District, but the largest volume by a single issuer came from the State of California, whose seven offerings totaled close to $400 million.

Volume Outlook for 1961

Corporate volume, though higher in total in 1960, had declined toward the end of the year. Further easing is indicated for the first quarter and possibly all of 1961. That tax-exempt offerings can be expected in substantial volume, however, is indicated from issues already approved and those proposed, a total of close to $16 billion. Greater tax-exempt volume could well make up for any decline in corporate offerings, the survey suggested.

Treasury financing in 1961 is an uncertain factor. How much it will need to borrow and whether it will finance in the long or short markets are important questions. Though the Treasury is not likely to be a substantial borrower in the first six months, refunding of short-term issues or substantial increases in spending by the new Congress "could quickly bring the Treasury back into the market for new funds."

Business as Usual for 1961?

As to the year ahead, Halsey, Stuart had this to say:

"As we enter 1961, the fears and disappointments which characterized the 1960 bond market are slowly disappearing. Foreign central banks are cooperating with the United States in its efforts to stem our outflow of dollars and consequent loss of gold reserves. Federal Reserve authorities are expected to maintain their independence of action, providing ample credit for the needs of the domestic economy, but realizing full well that any further efforts to ease short-term rates must be tempered by judgment of their possible international monetary repercussions. An ample supply of funds is currently available for investment in the long-term market where rates are not low, historically, and where further easing appears likely."

DuPont to Admit Two Partners

John A. Fitz Randolph has resigned as an officer of the J. Walter Thompson Company advertising agency to become a general partner in Francis I. du-Pont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange.

J. A. Fitz Randolph

Howard T. Kadelburg, who heads Francis I. du-Pont's Unlisted Securities Trading Department, will also become a general partner of the firm on Jan. 1.

Mr. Fitz Randolph was active as an executive in the chain store business for 30 years prior to joining J. Walter Thompson as a Vice President in 1952. From 1929 to 1952, he was associated with the J. C. Penney Company, where he was Director of Sales, Sales Promotion and Public Relations. For ten years prior to that he was with the Melville Shoe Company as General Sales Manager.

Mr. Fitz Randolph started his career as a cub reporter on the old *New York World*. Following that he joined the advertising department of the New York Edison Co. (now Con Ed) and later served two years in the public relations department of E. I. duPont de Nemours & Co.

Now Corporation

Casper Rogers & Co., 40 Exchange Place, New York City, is now doing business as a corporation. Casper Rogers is President and Treasurer.

Oklahoma City Authority Receives Bond Issue Proceeds

A check for the net proceeds from the sale of $62,750,000 of bonds of The Trustees of the Oklahoma City Municipal Improvement Authority, an agency of the State of Oklahoma, was turned over Dec. 29 to R. Lewis Barton (seated, center), Chairman of the authority. Making the presentation was George J. Gruner (seated, left) Vice-President of John Nuveen & Co. Incorporated, co-manager with Allen & Company, B. J. Van Ingen & Co. Inc. and Lee Oppenheim & Company, of a 140 member underwriting group. Seated, right is Jackson E. Cagle, General Counsel for John Nuveen.

Looking on are: Charles B. Stuart (left) Vice-President of The Fidelity National Bank and Trust Company of Oklahoma City, and Robert O. Kelley, Trust Officer of The First National Bank and Trust Company of Oklahoma City. The two Oklahoma banks are corporate trustees.

The 4.20% water system bonds, maturing from July 1, 1971 to 2000, inclusive, were offered on Dec. 20 and were priced to yield from 3.40% to 4.20%. Proceeds will be used to construct a pipeline and pumping storage facility required to deliver water from the Atoka Reservoir to Oklahoma City.

The closing ceremonies took place at the 30 Broad Street, New York City, offices of Chemical Bank New York Trust Company, paying agent for the bonds.

B. F. Edwards, Jr. Named to Post

Ben F. Edwards, Jr. has been elected Chairman of the Board of Western Refrigerating & Cold Storage Company, a wholly-owned subsidiary of Southeastern Public Service Company, it is announced. Stuart C. Thompkins was named a director.

Mr. Edwards is a former Vice-President of the Bank of America. A veteran of more than 46 years in the banking industry, he is recognized in banking circles as one of the leading credit authorities on the West Coast. Immediately prior to joining Western Refrigerating, he served as assistant-personnel to S. Clark Beise, President of the Bank of America. In this post, Mr. Edwards acted as the President's representative in personnel counselling, particularly with senior branch and administrative officers. Mr. Edwards was with the bank for 43 years and previously had been Vice-President in charge of loans and investments.

Mr. Thompkins is Chairman of Thompkins & Co., one of the largest independent insurance brokerage firms in San Francisco and the largest in northern California in premium billings and personnel.

Trevor Partner In Lord, Abbett

Lord, Abbett & Co., 63 Wall St., New York City, have announced that Paul W. H. Trevor has become a partner of the firm. Mr. Trevor is manager of the firm's investment department and is an officer of Affiliated Fund Inc. and American Business Shares Inc.

Phila. Inv. Women Dinner Jan. 16

PHILADELPHIA, Pa. — The Investment Women's Club of Philadelphia will hold its Annual "Boss Night" Dinner for Monday evening, Jan. 16, at 6:45 p.m., at the Barclay. Guest speaker will be Mr. Donald M. Blair, Manager of the Philadelphia National Bank's Travel Department.

Gallagher V.-P. Of W. H. Morton

Thomas P. Gallagher, Jr. has been elected Vice-President of W. H. Morton & Co. Incorporated, 20 Exchange Pl., New York City.

Customers Brokers Electronics Forum

The Association of Customers Brokers of New York will hold a meeting Jan. 24 on Electronic Stocks, 1961. Speakers will be Dudley A. Anderson, Laird & Company, Corporation; G. Fuhrman Nettles, Shearson, Hammill & Co., and Felipe Propper, Carl M. Loeb, Rhoades & Co.

The meeting which is open to members only, will be held at 15 William Street, at the New York Society of Security Analysts.

Dempsey-Tegeler Branch

CLAYTON, Mo.—Dempsey-Tegeler & Co., has opened an office on the first floor of the new Clayton Inn Building. A. Hamilton Strong is manager of the new office.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Missouri Public Service Company

Missouri Public Service supplies electricity, natural gas and water to 218 small communities in Missouri, including areas suburban to Kansas City. Revenues approximate $18 million and are derived about 71% from electricity, 27% from natural gas and 2% from water. The area includes rapidly growing residential sections adjacent to Kansas City and farm areas for dairying, raising of livestock, tobacco farming, chicken hatcheries and raising of grain crops. Industrial activity includes coal mining, glass making and light manufacturing.

There are two important Air Force Bases; Whiteman and Richards-Gebaur. These bases purchase electricity from the company for the operation of all base facilities, including substantial new housing developments. The company also serves electricity to the Trans-World Airlines Overhaul Base located at the Kansas City Mid-Continent International Airport. This airport, although not yet in commercial operation, is being constructed to handle jet aircraft.

Western Electric Company has commenced construction on a 341 acre tract at Lee's Summit, Mo. (within the company's metropolitan Kansas City service area) of a $25,000,000 manufacturing plant which will employ some 5,000 persons. The plant is expected to be in operation in the fall of 1961. The company has entered into a 10-year contract with Western Electric, beginning May 1, 1961, which provides that the company make available approximately 20,000 kw to Western Electric for operation of the plant.

The company's electric service area embraces most of the growing suburban area in Missouri adjacent to Kansas City. A small portion of the area was annexed by Kansas City in 1957, the company being granted a 30-year franchise to continue to serve this area. Last March the citizens of Kansas City voted to annex an additional 145 square miles, of which 76 square miles are in the company's service area; and on Aug. 2, 1960, they will vote on annexing an additional 42 square miles, of which 31 are in the service area. Giving effect to these various annexations, Kansas City would comprise an area of approximately 316 square miles, of which about 34%, most of which is suburban in nature, would be served by the company. The company expects to obtain franchises for all new areas.

While industry is now developing as indicated above, industrial sales accounted for only 12% of 1959 revenues; residential and rural contributed 52%, commercial 28%, miscellaneous 8%. Reflecting rapid population growth (the population of Jackson and Clay Counties has about doubled in the past decade), as well as the acquisition of additional properties, revenues and net income increased 276% and 316% respectively in the decade through 1959. Continued rapid growth is indicated by the construction of new housing developments, the new airport (which is the second largest in the U. S.) and the Western Electric plant referred to above. The latter is expected to bring in satellite industries, and its employees should increase residential business substantially.

In the 12 month period ended June 30, 1960, the company generated approximately 73% of its total electric power requirements and purchased approximately 27%. In July the company placed in operation a new steam generating unit with a capability of 50,000 kw at its Sibley Generating Station, which reduced reliance on expensive purchased power. This is expected to be further reduced with the completion in 1961 of the second 50,000 kw unit. The company has obtained its purchased power principally from Kansas City Power & Light Company and, to lesser extent, from Empire District Electric and some other sources.

The company has made a contract with the Southwestern Power Administration effective June 1, 1961 for the purchase of peaking capacity in the amount of 12,000 kw (and larger amounts in future years, up to a maximum of 30,000 kw). Rates are said to be favorable compared with the cost of installing new capacity solely for peaking purposes. The contract will also make available to the company excess energy, available during certain seasons of the year at favorable rates.

Retail gas service is supplied to 25 communities with population of 94,000. The company's suppliers are Cities Service Gas and Panhandle Eastern Pipe Line. Facilities to serve the company's northern system (which accounts for about one-quarter of gas revenues) were completed some three years ago, but as the business has been under development the rate of return is still low; however, the recently increased supply of gas for this area should permit a better rate of return. The company enjoys a favorable regulatory climate and has been able to obtain promptly higher gas rates to offset higher gas costs. Supplementary rate increases amounting to about 6 cents a share have also been obtained. The company has not found it necessary to apply for any increase in electric rates during the past 12 years.

The company's revenues have increased over tenfold in the past two decades and have nearly quadrupled in the past 10 years. The company's earnings per share reflected this growth during earlier years, having doubled from 52 cents in 1951 to $1.04 in 1956. In the three subsequent years, however, they remained static, due largely to a very heavy construction program which increased fixed charges by 60%. The company completed the sale of common stock on a 1-for-8 subscription basis Nov. 2, 1960.

The stock has been selling on the New York Stock Exchange recently around 20½, the range this year being 22¼-17. Including both the cash dividend of 72 cents and the regular 2% stock dividend (paid at the rate of ½ share each quarter) the stock yields about 5.5%. The quarterly stock dividends have been paid for over four years and it is the company's intention to continue such payments, subject to the authorization of the State Commission. The stock is selling at about 18.7 times the earnings of $1.11 for the 12 months ended Oct. 31, 1960.

Form Future Investing

BRONX, N. Y. — Future Investing Corporation has been formed with offices at 414 East Tremont Avenue to engage in a securities business. Officers are Robert L. Nagler, President; and Irwin J. Schultz, Vice-President; Both were formerly associated with Oppenheimer & Co.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The new year seems to be bringing with it the feeling that conditions in the money and capital markets will be on the constructive side for the foreseeable future. This apparently is the reason for the better tone which is in evidence in the demand for money market issues as well as capital market bonds. The purchases of Treasury obligations for near-term liquid purposes are about as strong as ever in spite of the commitments that are being made in selected intermediate-term issues. In addition, the buying of the most distant governments is still growing because the institutional takings of these bonds continue to be sizable.

The feeling that the prime bank rate and the discount rate will be lowered this year has not lost any of its momentum. On the other hand, there are still those who do not expect any rates to be reduced in 1961.

Basic Lending Rates Vulnerable

The demand for loanable funds, according to advices, has slowed down and this, in the opinion of some money market experts, will have favorable implications as far as the money and capital markets are concerned. These beliefs are in spite of the realization that the monetary authorities will no doubt take action to remove at least a part of the surplus funds that are made available to the money markets because of the decreased demand which usually develops after the holiday season has passed. This time there are indications that these surplus loanable funds will not only seek investment in liquid governments and tax-exempt issues, but also there are likely to be instances in which borrowings will be made at rates which would appear to indicate that a downward revision is to be expected in the whole level of loaning rates.

In other words, there are strong opinions in various quarters of the money market that the prime bank rate is vulnerable and a downward revision in the rate which banks charge their larger and best customers would not come as a surprise in the new year. In addition, it is reported that the discount rate, in the opinion of not a few money market experts, might also be shaken down in the not too distant future since the Central Bank rate would most likely be lowered in any general downward revision of borrowing rates as a whole.

Long Bonds Being Acquired

With the structure of rates in the money market sector of the government market vulnerable—that is, there are prospects that they will work lower during this year—it is not surprising that there is a better feeling in the long-term or capital sector of the government market also. The buying of the distant maturities of Treasury issues has tended to expand for quite a time but it appears now as though the size of recent commitments in these bonds has been much larger than was the case recently. The purchases of the 3½% bonds due in 1990 and 1998, according to advices, have been and still are in an expanding phase with institutions making commitments at quotations that appear to give them a yield which is considered to be favorable.

There is evidence that when there are offerings of the longest government bonds in the market, there has been no great problem of late to find buyers for these securities. This is considered to be a constructive development by most of the experts in the capital markets. The better demand which has been in evidence in government bonds has had a favorable effect on corporate and tax-exempt bonds also since many of the non-Federal issues have also found a home among institutional investors.

Another Advance Refunding Offer Indicated

The demand for the issues which are termed "advance refunding" candidates is also expanding, because the opinions around are still strong that the Treasury in the not distant future will make another offer to the owners of selected obligations which should have longer maturities. The World War II 2½s are not the only issues that are being bought because of the "forward refunding" opportunities as there are strong beliefs in evidence now that other intermediate-term obligations could also be given this same treatment. This has been helpful to the middle-term maturities.

Named Director

Election of Everett H. Pixley, Senior Vice-President of The Mellon National Bank and Trust Company of Pittsburgh, to the Board of Directors of Brown Co. has been announced by Leonard A. Pierce, President of the Northern New England pulp, paper and forest products firm.

Mr. Pixley, who has been prominent in Pittsburgh banking circles since 1936 when he joined The Union Trust Co as Assistant Vice-President, is a Director of The Martin Company in Baltimore, Md. He is also a Director of the Montour Railroad Company and the Youngstown & Southern Railway Company, both of Pittsburgh, and a member of the Association of Reserve City Bankers.

Joins F. I. du Pont

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—John W. Wuethrich is now with Francis I. du Pont & Co., 208 South La Salle Street.

G. H. Walker Admits Three

G. H. Walker & Co., 45 Wall Street, New York City, members of the New York Stock Exchange, announced the firm is admitting three new general partners effective Jan. 1. The new partners are George H. Walker, III, C. P. McKinney, Jr. and Frederick S. Wonham.

G. H. Walker, III

C. P. McKinney, Jr.

Frederick S. Wonham

Mr. Walker is a grandson of the founder of the firm which was established in 1900 in St. Louis, Mo. Mr. McKinney is the son of a managing partner of the St. Louis office. Mr. Wonham is the firm's syndicate manager.

Mr. Walker is a graduate of Yale University and Harvard Law School. After serving in the U. S. Air Force, Mr. Walker joined the firm's St. Louis office.

Mr. McKinney is a graduate of University of Virginia and also attended Washington University Law School, joining the firm's St. Louis office upon completion of military duties in the U. S. Army.

Mr. Wonham, a graduate of Princeton University (cum laude) joined the firm in 1955 after U. S. Army duty. He has just been elected President of the Investment Association of New York.

Commercial Aspects of Our National Space Law

Continued from page 13

a system of compulsory insurance operating essentially on the successful pattern of workmen's compensation laws. An administrative board would process and assess claims. Under such a system, industry benefits by being able to assign a fixed cost to this item, and by protection against excessive verdicts. The claimant enjoys the advantage of a prompt settlement and the right to compensation without having to prove fault, a fair exchange for the uncertain possibility of a higher jury award.

It is imperative that the domestic phases of commercial law I have discussed thus far be resolved immediately. We are dealing with a dynamic young industry requiring imaginative solutions to its problems. In some instances, existing institutions are equipped to cope with the demands presented. In others, our familiar doctrines must be recast. Bold new proposals must be received in a climate conducive to proper appraisal and if deemed meritorious, they demand acceptance even at the risk of departing from traditional and cherished beliefs. The alternative is serious curtailment of our space posture and capability.

It is just as crucial that we solve some of the international legal problems which cast a disturbing shadow over man's hopeful exploration of space. To understand why they are causes of immediate concern we must look at some current space vehicle developments in which they may have their origin.

Our Performance Record

To the present time, we have successively launched 24 space vehicles into earth orbit; the Soviets six. We have launched two vehicles into solar orbit; the Russians one. The Soviets have made lunar impact; we have not. We have recovered two space vehicles from orbit; the Russians one.

We have communicated with Pioneer V to a distance of 22,500,000 miles—some 50 times farther into space than previously. Our Tiros I weather satellite in three months took more than 22,000 cloud-cover pictures from a height of 450 miles. Although Tiros I is a great step forward, it has limitations. For example, photos can only be made in sunlit areas of the earth. Therefore, a new series of weather satellites is under development.

With Echo I—the 100-foot balloon satellite, we have bounced voice and continuous wave signals, first across the continent and then across the Atlantic, and have transmitted a picture of the President from Iowa to Texas. In a moment, I will say more about the tremendous commercial and legal implications of the communications satellite.

The Transit satellites must also be mentioned for their promise of reliable methods of navigation—and the Discoverer series for its demonstration that objects can be recovered from an orbit in outer space.

At the present time, we are exploring the potentials of nuclear propulsion. These programs are conducted jointly by NASA and the Atomic Energy Commission; AEC is reponsible for reactor development, and NASA for integration of the reactor into engines and vehicles — including the development of the flight test engines and vehicles required.

A nuclear system can deliver seven to ten times as much payload as chemical systems. Therefore it is almost axiomatic that if the most efficient and effective utilization of our scientific resources is to be made, nuclear energy must assume a larger office. It is of considerable importance with respect to the NASA phase of the nuclear program that practically all of the work has or will be contracted to industry, awards being made by competitive proposal evaluation.

The future plans for communications satellites are indeed intriguing. With 12 passive communications satellites spaced in strategic areas around the world as reflecting mirrors for signals, it is conceivable that continuous communication can be provided. Television and radio broadcasting and relay transmissions will be capable of reception at any point on the globe. Telephonic communication will likewise be worldwide. With telephone and telegraph lines barely able to keep up with demand, and trans-oceanic cables under a heavy burden, this will be a great boon to mankind in its striving for closer ties of friendship. We look forward also to outstanding achievements in the realm of communication by the written word. It has been suggested that a coding of letters and their relay through a satellite to a decoding and printing station on another continent can be achieved. This system would result in one or two day mail delivery anywhere in the world. And the costs for these achievements once committed to practice should not be prohibitive.

The active communication device differs from the passive type in that it contains a power supply, a receiver and a transmitter for relaying signals received from a ground station to another satellite or to another ground station. NASA up to this time has not entered this field; the Department of Defense has performed all of the experimentation that has been undertaken so far. It is not clearly discernible at this time which of the two satellite systems has the most favorable commercial applications. The communications community must therefore closely scrutinize both of these programs.

Significant of how the commercial aspects of such experiments can suddenly thrust themselves on the slowly moving majesty of the law for urgent consideration is the recent application of Bell Telephone Laboratories for permission to conduct communications via satellites. Just how this will fit into the long-established procedues of the Federal Communications Commission is not clear, and it is interesting to note that the Administrator of NASA has just designated one of the agency's lawyers as his special assistant on such matters.

Poses Crucial Political-Legal Problems

We have progressed in our development of space vehicles to the point where we must reflect upon certain crucial political and legal problems. Our Tiros satellite photographs cloud cover over Russia without the permission of Mr. K. A reconnaissance satellite in the near future will expose to the naked eye any point on our globe. Reconnaissance by photo or television equipment is not conducive to the creation of trust and good will among soverign powers. To some nations it will be downright offensive and it is conceivable that retaliatory measures will be taken. Although our government has taken no formal position as yet, it is expected that in line with our declared policy of open skies the U. S. will advocate the employment of space craft for international inspection purposes. Well settled doctrines of international law deem it permissible to photograph one state from the territory of another. Some commentators therefore urge the law of space should recognize complete freedom of photography from whatever point in the earth"s atmosphere as a natural extension of the international law principle.

I cannot subscribe to this principle unless the satellite is required to submit to some form of international inspection before it undertakes its mission, or unless some formula for lasting world peace has been devised. Absent effective inspection measures, this impingement of sovereign boundaries might very well trigger devastating military reprisals.

Airspace vs. Outerspace

Here we must pause to distinguish national airspace from outer space. There doesn't appear to be much doubt with respect to ownership of outer space, defined as that region in which the earth's atmosphere in no way affects the operation or flight of space vehicles. Outer space, like the seas, must not be capable of exclusive appropriation by any nation. While security considerations demand that national sovereignty be preserved in airspace, no relevant reasons exist to foreclose from any nation the lanes of outer space. To grant an exclusive license or monopoly of outer space to any sovereign power could only slow man's conquests. For in this field, as in others, competition is perhaps the most effective catalyst.

Planetary conquest, however, poses somewhat different considerations, although it has been urged that planets, like outer space, should not be subject to the jurisdiction, or administration, of any sovereign. When we have finally realized manned space flight to our neighboring planets we will face a situation not unlike that confronting the explorers of the "new world," in the 15th and 16th centuries.

We are now experiencing some of the errors brought about by the improper planning of our forefathers. The colonial system has proved unworkable. Experience teaches us to have more vision in our new conquests. This, of course, assumes earth will be the conqueror and not the conquered. International treaty is one way of coping with these problems. A better solution appears to be control by the United Nations, or some other world body. It simply does not make good sense for each country to announce an individual policy for dealing with its conquests.

Planning and the enunciation of a uniform policy must be done at a higher level. One matter of particular concern to any deep space probe and space conquest is what immigration policy will be followed. Should there be a quota system predicated upon selection from all nations? On what basis will we select the talented men and women required to sustain life on the planets of our conquest? If resistance is met by our explorers, how should it be met; if a policy of force is adopted, how will a planetary expeditionary force be selected?

The age of manned space flight is not far off. We must commence our planning and programming now. The problems are international in scope and require the pooling of every available talent. Perhaps by engaging in successful international co-operation in outer space our earth-bound perspectives will be altered. A common international goal of such magnitude and importance might bring about termination of the cold war, and as a consequence, release for space exploration and development and other beneficial purposes the world's resources heretofore dedicated to military purposes.

This would be an economic revolution dwarfing the introduction of agriculture or the development of mechanized production, and lifting mankind to new levels of self-realization. A dream? Yes, but no more fantastic than the story, expertly documented in the September "Scientific American," of how man emerged from the caves when he learned to co-operate.

*An address by Mr. Haley before the American Management Association Session on "Finding a Place for Your Company in Space-Age Technology," New York City. Mr. Haley is also Director, Axe Science & Electronics Corp., Vice-President and Director of Axe Science & Electronics Management Co., Inc.; President, Missiles-Jets & Automation Management Company, Inc.; Co-founder and wartime President of Aerojet Engineering Corp.

Raleigh Securities Formed

BALTIMORE, Md. — Walter A. Raleigh is engaging in a securities business from offices at 2 East Read Street under the firm name of Raleigh Securities Co. Mr. Raleigh was formerly with John M. Hoffman & Co. and Waddell & Reed, Inc.

A Proper Understanding of Economics Is Necessary

By Roger W. Babson

Mr. Babson says he's been around long enough to know there's not much that Presidents can do to change business cycles. He chides Dr. Heller, Kennedy's newly appointed top economic advisor, for blaming the current downturn on the Eisenhower Administration and for other views expressed on the cause of unemployment; agrees temporary aid should go to depressed areas, and avers our foreign trade figures will have a lot to do with our business conditions.

I notice that Dr. Walter W. Heller (new Chairman of the Council of Economic Advisers for President-Elect Kennedy) is telling the American people that 1960—especially the last half—was a period of recession. However, while the net earnings of many corporations were off, the gross earnings of most of these companies held up very well.

Reasons for Poor Net Earnings And Unemployment

Most of these corporations showed poor net earnings because they were obliged to pay higher wages or give fringes, etc., to their wageworkers when there was no increase in their efficiency or output. At the same time, the door to higher prices was closed by stiff competition from domestic manufacturers as well as by the rising flood of low-cost goods from abroad.

I really feel that Dr. Heller will have much trouble to prove that our difficulties are caused by a lack of employment opportunities. Let us face the facts . . . the union leaders in this country must shoulder the lion's share of the blame. They have priced many goods out of our own and foreign markets by pushing up production costs. I wish Dr. Heller would translate unemployment into dollars. This would be the fair thing for him to do. He also should give proper allowance to appropriations for relief, veterans' benefits, unemployment insurance, and old age and survivors' insurance.

Presidents Do Not Make Conditions

It is true that 1960 did not "roar like a lion"! Those who had forecast the "Roaring Sixties" have thus far been disappointed. It, however, is very unfair for Dr. Heller to blame this on the Eisenhower Administration. Conditions make or "unmake" Presidents; but Presidents can do little to change the business cycle.

On the other hand, if this business readjustment should continue through 1961, and perhaps become worse, it would be very unfair for Republicans to blame it on the Kennedy Administration. Every thoughtful businessman and labor leader knows that "the trees cannot grow to the sky" and that after the abnormal prosperity years since World War II a readjustment is inevitable; the longer it is postponed, the worse it will be. By the way Dr. Heller, who is now 45, was only a kid in 1930—only 15 years old! Yes, and Mr. Kennedy himself was then only 13 years of age.

Certain Areas Deserve Help

Among the 400 cities where the leading newspapers publish this weekly column, some are suffering from real unemployment, such as in areas hurt by the national switch from coal to oil. Yet other sections, such as the Cape Canaveral coast of Florida, are enjoying increased employment due to development of missiles. President Kennedy will make a wise effort to relieve by temporary aid any areas "submerged" as a result of natural causes. A permanent cure will be difficult and will take time. He has, fortunately, not only the unemployment and other legislation passed by Congress in 1930-1940 but also the new small business investment companies instituted by the late Congress.

Hence I urge Republicans to be patient and not blame the new administration for whatever happens in 1961. Many of our industries are dependent upon conditions abroad—in Russia, in China, and in Europe (from which I recently returned). Our export and import figures will be factors in determining business conditions in the United States.

What Christianity Demands

When Mr. Eisenhower lighted the nation's Christmas tree on Friday night, Dec. 23, he appealed for aid for certain backward nations and races — irrespective of "color or creed." He rightfully stated that, if we take our Christianity seriously, we must be fair and generous with all nations and religions.

My appeal at this beginning of 1961 is that both Republicans and Democrats take their Christianity seriously. That we be fair to the President-Elect, who should not be blamed for what happens in 1961 in Cuba, Russia, or China. The biggest thing for him to fear is the time when China discovers how to make an inexpensive atomic bomb.

Reynolds & Co. Celebrates 30 Years

Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading Exchanges, is this year celebrating the 30th anniversary of its founding in January 1931. Reynolds & Co. maintains 37 offices from coast to coast.

Dempsey-Tegeler Admits Coleman

Francis X. Coleman has been admitted to General Partnership in Dempsey-Tegeler & Co., members of the New York Stock Exchange and other principal exchanges, effective Jan. 1. Mr. Coleman will be located in the firm's New York office, 80 Pine Street.

On Wall Street since 1928, Mr. Coleman was last with Gregory & Sons.

Goodbody & Co. Admits J. F. Reilly

Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange and other leading security and commodity exchanges, announces that James F. Reilly has been admitted to the firm as a general partner effective Jan. 1. Mr. Reilly joined the firm in 1956 as manager of the municipal bond department. As a partner, he will continue in charge of municipal underwriting.

James F. Reilly

Mr. Reilly started his career in the investment business in 1946 with The First Boston Corporation and later served with Lehman Brothers.

With Cruttenden, Podesta

CHICAGO, Ill.—John F. Lawler is with Cruttenden, Podesta & Co., 209 South La Salle Street, members of the New York and Midwest Stock Exchanges.

We Don't Want Another Less Than Full-Scale Recovery

Continued from page 3

fifth of GNP, are on the increase. Federal spending seems likely to increase by $3 billion in the year ahead, while state and local expenditures could go up by as much as $4 billion.

Exports have moved up sharply, a surge of one-fourth from their low in early 1959, while imports have been stable. Thus, our balance of payments on commercial account has improved dramatically—the deficit in the third quarter was due largely to an outflow of short-term capital. This surplus of exports over imports could be maintained in the year ahead.

Housing, which makes up about 4% of GNP, has dropped sharply in the past year. With mortgage credit readily available, and downward pressure on mortgage interest rates, housing could move moderately higher in the year ahead, say, an increase in expenditures of $1½ billion. But no sharp recovery seems in the cards since family formation is at its low ebb—it will rise slowly in the next year, and rapidly in 1962.

Pinpoints Recession Causes

The areas of the economy we have just reviewed—consumer non-durables and services, government, net exports and housing—now make up 82% of Gross National Product. As I have indicated, prospects favor an advance of $15.5 billion, or almost 4%, in the total of these items in the year ahead. Why, then, is the economy in a period of adjustment, a recession? The adjustment is highly concentrated in three areas—business expenditures for new plant and equipment, consumer purchases of durable goods and inventories.

Business investment in new plant and equipment constitutes the major lagging area of the economy in the past four years. Measured in constant dollars, such business investment during 1960 was below the 1957 peak. The main reason for the lag in investment is that profits have failed to grow—they increased by less than 1% per annum from early 1956 to early 1960, and have turned lower in the past six months.

The recent McGraw-Hill survey shows that business now plans to invest 3% less in 1961 than in 1960. Experience indicates that the decline in actual expenditures may be larger than the preliminary estimate in a period of business adjustment. However, even if you double the McGraw-Hill figure you get a decline of only $2 billion, a much smaller one than in previous postwar recessions, when the decline in plant and equipment was on the order of 20%. One reason to expect a moderate decrease in the year ahead is the very absence of a boom in business investment in 1959 and 1960.

Expenditures for **durable consumer** goods other than autos have been a bit sluggish in recent years. This is due partly to a decrease in the rate of family formation, partly to a slow-down in the rate at which new appliances and other durables have been introduced and accepted by consumers. This is an industry where innovation is the key to progress.

The auto industry had a good year in 1960, with sales of some six million domestic cars. Despite what appears thus far to be a favorable reception of the 1961 models, it will be hard to match the 1960 record. Consumer credit has reached a point where repayments are taking 13% of consumer income after taxes. Experience in recent years shows that individuals are reluctant to add further to debt once that point has been reached. Thus, 1961 may be a year in which, on balance, some consumer debt is repaid. If so, it will be difficult to sell many more than 5½ million domestic cars.

The **inventory adjustment** is well underway. Business added to inventories at an annual rate of $11 billion in the first quarter. Now business is liquidating inventories at a rate of perhaps $2-3 billion. The cutback in purchasing involved is the equivalent of 4% of total industrial production. Thus the inventory adjustment is responsible for a major part of the decline in industrial production in recent months. Some further downward adjustment of inventories seems likely. However, a relatively moderate liquidation seems to be indicated since there are few excesses to be worked off.

Adding Up Prospects

When you add together all these trends, the result is a moderate recession carrying on into 1961. The decline from top to bottom would be on the order of 1% in the Gross National Product and 8% in industrial production—moderate drops in relation to those in the 1957-1958 recession. Much of the decline has already occurred. While it is extremely difficult to foresee the timing of the upturn, it could come by mid-1961.

A number of forces now operative or in the making could halt the decline and produce a renewed advance. With final sales holding up, the inventory adjustment could be completed by the middle of next year. Federal Reserve policies are expanding the money supply, providing the wherewithal to support the economy and finance an upturn. Private incomes will be supported by a shift in the Federal budget from a surplus at a seasonally adjusted annual rate of some $2 billion in the third quarter of 1960 to a deficit at a rate that may be on the order of $6-8 billion in the second quarter of this year.

These forces, augmented by the expenditure increases in the areas of government, consumer nondurables and services and housing outlined earlier, could turn the general business trend upward by mid-1961. With overall demand sustained, the advance in productivity, due in good measure to cost-cutting efforts on the part of business, could act to restore profit margins and thus provide the incentive for a pick-up in business investment in new plant and equipment.

Character of the Upturn

This brings us to what I consider one of the crucial questions facing our nation: Will the economy move ahead vigorously and reach a level of full prosperity in 1962? We did not achieve a full recovery in 1956-57 or in 1959-60, a fact that raises questions as to our ability to move ahead in good fashion after the current adjustment period is completed.

I believe we can achieve a vigorous recovery from the current recession and move on into an era of great prosperity and growth. We can do this IF we as a nation are willing to work effectively and to support realistic and forward-looking national policies. As I see it, there are four major problems which are to some extent interrelated:

New Economic Thinking Required

First, we need to redirect our thinking from the past—from the depression-oriented ideas of the 1930's and the inflation-oriented ideas of the 1940's and 1950's—to the problems and opportunities of the future. Much of our thinking is still inhibited by ideas born of depression—these attitudes becloud farm policy and lead to restrictive practices on the part of management and labor. Overlaying this is a feeling that everyone must guard himself against the inroads of inflation by seeking large wage increases or large price increases. The fact that these are completely contradictory objectives reflects the confusion that has characterized our economic thinking in the recent past.

Fortunately, there are signs that the national consensus is developing in a constructive direction. As I indicated earlier, businessmen and investors are adjusting to an atmosphere of price stability. Wage increases in the past year or so have been much more nearly in line with productivity, or what can be paid without pushing up prices. The deficit in our balance of payments has been a sobering influence. And there seems to be a strong feeling in the nation against large increases in government spending and taxing.

On the other hand, the nation is far from a full understanding and acceptance of the measures needed to achieve full prosperity and accelerated economic growth without inflation in the 1960's. On balance, the body politic appears to be still complacent and unaware of the great challenges the nation faces. It is my firm belief that the public will respond if those in a role of responsibility in business, government, academic life and the press can articulate the nature of the opportunities that can be opened up if we set our sights high.

Encouraging Investment

A second major challenge is to achieve a more rapid rate of increase in technical efficiency and capital investment than that of recent years. Our national rate of economic growth has slowed in recent years from a potential of 4% per annum or more to around 2%. It is my contention that this slow-down is the result of a lag in investment and in profits.

As a result of the squeeze on profits, we have been investing only about 9% of gross national product in new plant and equipment in the past few years. This is too low a rate of investment to support the modernization needed for a good rate of economic growth. It is a striking fact that the average age of all equipment in use has been increasing since 1955. As a result of this decline in our rate of modernization, the increase in productivity, the source of real economic growth, has slowed.

If we are to quicken our overall rate of economic growth we must lift the rate of capital investment. Experience suggests that an investment ratio of 11%, instead of the 9% of recent years, is needed to support a 4% growth rate in the general economy. That should be a minimum goal—a higher rate of investment, if it could be achieved under the proper circumstances, should support even more rapid over-all economic growth.

I believe it is possible that the process of working through the current adjustment in general business will set in motion forces making for a strong upsurge in business capital investment. Efforts by business to cut costs may bear fruit next year in the form of substantial improvements in profit margins. And the massive investment in research and development in the 1950's should begin to yield results in the form of new products and new techniques.

Yet I am left with a feeling that these forces may not suffice. I can't prove this statistically at the moment, though I am devoting valiant efforts toward this end. But I am increasingly concerned over the question as to whether the nation can prosper and advance at a good pace with the sort of tax structure we have inherited largely out of a great depression and a great war. It may well be that we must reduce the very heavy burden that our tax system places on saving and investment if we are to achieve a more rapid rate of economic advance.

National Economic Policies

This brings me to the third broad range of problems with which we shall have to contend in the Sixties. I refer to the management of our national economic affairs. I believe we must become much more sophisticated in the use of the tools that government possesses. Government economic tools include taxes, expenditures, monetary controls, management of the public debt, regulatory policies and guarantee programs—all of these are bound to affect the operation of our economy. The problem is to use these tools to achieve the goals we seek.

A full consideration of these matters is obviously beyond the purview of today's discussion. However, there are several overall points I should like to make with regard to the relationship of government policies to the attainment of some of our national goals.

First, I believe we must manage our affairs in such manner as to avoid inflation. The decade of the Sixties does not appear to be one of broad inflationary pressures, at least in the industrial nations. Thus, if we inflate, we will surely have balance of payments difficulties. Inflation could also operate to slow or check our rate of economic growth.

To avoid inflation we must do three things: Hold increases in the money supply in line with the potential growth in real production; achieve an appropriate surplus in the Federal budget when inflation threatens; and keep wage increases in line with the advance in the nation's technical efficiency.

At the same time, we want national economic policies which will maintain a high level of employment. We have made progress in moderating recessions, primarily through monetary policy and the operation of the built-in stabilizers. In effect, these stabilizers produce a sizable government deficit when private activity turns down, thus cushioning the impact of a business decline on private incomes. An important factor in producing this result is our heavy reliance on the corporate income tax.

Would Tax Contra-Cyclically

If, as I believe, the burden of the corporate income tax needs to be lessened to accelerate economic growth, the built-in stabilizers will be less effective. Thus, other methods will have to be devised to stabilize incomes. One way to do this effectively is to vary tax rates contra-cyclically. I am aware of the fact that there is little acceptance of this idea on the part of the general public or the Congress. Thus, I believe that we must strive to secure a degree of economic sophistication that will make it possible to cut taxes when a recession is imminent and to raise them when inflation is the problem.

Beyond that, we need to make sure that our tax structure fits the needs of the period ahead. There is widespread agreement that our tax structure badly needs a thorough overhaul. Unfortunately, there is little agreement on the precise character of the necessary overhaul. Thus there is bound to be a considerable period of pushing and tugging. I would hope that the outcome would be a tax structure that lessens the burden on saving and investment. I am convinced that a higher rate of investment is essential if we are to take full advantage of our potential for technical advance. And this would help all groups in the community—real wages would rise faster, the farmer would be better off, and there would be more job opportunities, especially for the great flood of new entrants into the labor force in the years ahead.

Act on Depreciation Tax

One important change in the tax system, and one on which there is wide agreement, is the provision of more realistic treatment of depreciation. This strikes directly at what I believe to be one of our basic problems—the aging of our productive equipment. More liberal depreciation for tax purposes would provide funds to increase our rate of modernization.

If a more realistic treatment of depreciation does not suffice to generate the necessary level of investment, it may be necessary to reduce the corporate income tax. In economic terms, it makes little sense to have a corporate income tax which takes 52%, more than half, of corporate earnings. No other industrial nation places such a heavy burden on profits, which provide both the incentive to make new investment and a major part of the savings to finance it.

Another important question which is beginning to engage the attention of thoughtful business analysts is whether the built-in stabilizers may not operate too effectively to check an advance in incomes and business activity. It may be that our progressive tax structure slices off too much of the increases in income as the economy moves out of a recession, thus checking the advance before full prosperity is reached. An additional factor is that our balance of payments deficit since 1958 has operated to repress domestic economic activity—we have been raising money by taxes and transferring dollars to nations which use them to rebuild their gold and dollar reserves. Thus, these dollars are withdrawn from the stream of domestic purchasing power. These are very esoteric matters—I mention them to stress the point that we must be alert to developments which might interfere with our progress and willing to adapt to the changing requirements of the times.

International Problems

Now I should like to turn briefly to a fourth broad field in which I feel the nation will confront both challenges and opportunities in the Sixties—international economic relations. This is again a broad subject, and I can do no more than hit some high spots. The immediate problem, of course, is to redress the imbalance in our international payments and check the gold outflow. We've been making good progress—with exports up sharply in the past year and imports stable, the balance on commercial account shows a large surplus—one at a $7½ billion annual rate in the third quarter. This just about financed our private foreign investment, overseas military expenditures and foreign aid.

However, there was a large outflow of short-term capital, due importantly to the fact that interest rates are higher in Western Europe than in the United States. To counter this outflow and improve our balance of payments, President Eisenhower recently set in motion actions to reduce the $3½ billion per annum which we are spending overseas in support of the defense and economic developments of the free world. He proposed to do this by shifting dollar procurement from other industrial nations to the United States and by reducing non-essential dollar expenditures abroad.

If the United States is to fulfill its responsibilities of leadership in the free world, we must face up to the balance of payments problem. This means that the Kennedy Administration must continue to press for action to keep our international payments in balance. It will not be possible for the United States to indulge in inflationary policies at a time when prices are stable in most other industrial nations. We must find ways to give our aid in the form of goods rather than in dollars that may not be spent in this country. We must accelerate our rate of technical advance—we can only sustain the high level of our wages if our productive efficiency advances at a more rapid pace than in the past few years. By working in these directions, we can bring our balance of payments under control.

Getting our balance of payments under control is an essential first step toward dealing with the broad economic problems that lie ahead. In my personal opinion, the United States must work, along with its partner nations, to promote expanding trade and accelerated economic growth throughout the free world. We need to move to liberalize our trade policies and encourage other nations to move toward freer trade. The industrial nations should exert greater, and more effective, efforts to promote economic advance in the lesser-developed nations.

While these are vast and perplexing problems, success in dealing with them in reasonable fashion would open up great opportunities. For the first time in history the Free World possesses both the technical knowledge to generate world-wide economic advance and the ability to mobilize investment capital on a scale that could support general economic growth. This is a dramatic fact—we have within our grasp the prospect of providing a great new horizon of opportunity for individuals throughout the Free World. I do not wish to underplay the difficulties or to lead you to believe we can attain the millenium overnight. But we could make substantial progress toward world-wide economic development in the decade ahead, and that would provide support for prosperity and growth domestically.

Domestic Opportunities

I've dwelt at some length on the major challenges I believe we must meet to make the decade ahead one of great opportunity. There are other problems I have ignored—such as those involved in improving the quality of our educational system, dealing with the problem of our urban areas, keeping the increase in debt in line with our ability to support it and providing jobs for our rapidly growing labor force. All of these are real problems, yet progress in coping with the major challenges I have outlined could create an atmosphere of prosperity and growth within which other problems could be approached with far greater hope of success.

The fact that I have concentrated on problem areas does not mean that I discount our growth opportunities. The forces favoring prosperity and growth in the decade ahead are real and impressive—perhaps even more so than was the case a year ago when much was made of growth prospects in the Soaring Sixties. At that time there was a great deal of discussion of such growth-inducing factors as: the rise in population and in family formation; the broadening of the middle-income market; the massive effort in the field of research and development; and the steady improvement in techniques of management.

These facts are so well-known that I felt I did not need to reiterate them. I have, instead, tried to indicate what we as a nation must do to take full advantage of our impressive potential for economic growth. As I tried to explain earlier, we cannot hope to achieve economic prosperity and growth by sitting back and waiting for it to descend on us. We must work for it and we must be willing to make hard choices if we are to seize the very real opportunities that are within reach.

Summing Up

I have tried to cover a very broad range of the economic terrain in this paper. I hope that in the process I have not raised more questions than I have answered. Because I have been so discursive, I feel I should try to sum up my views about our economic prospects as briefly as I can.

First, I believe that the current period of business adjustment or recession will be moderate in intensity and that the business curve will turn up again by the middle of 1961;

Secondly, I think there is a good chance that the recovery in the second half of 1961 will prove to be a vigorous one that will carry the economy on to full prosperity in 1962;

However, and this is the **third point**, I think we should appraise realistically the problems that lie ahead and develop private and public policies to deal with them;

Fourth, I believe that, if this is done effectively, this nation faces a great period of prosperity, growth and opportunity.

*An address by Dr. Butler before the Business Outlook Conference at the University of Washington, Seattle, Wash.

Gordon Graves Admits Johnson

Gordon Graves & Co., 30 Broad Street, New York City, has announced the admission of Harold E. Johnson to partnership in the firm. Mr. Johnson is manager of the firm's municipal bond dept.

Langton Now With E. M. Adams & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—Richard Langton has become associated with E. M. Adams & Co., American Bank Building. He was formerly with Walston & Co. and Camp & Co.

Becomes Partner in Rhoades & Co.

Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York City, investment banking firm and members of the New York Stock Exchange, have announced that Hunter Goodrich, Jr. has been admitted to general partnership in the firm.

Dahl With Sellgren, Miller

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Ralph M. Dahl has become associated with Sellgren, Miller & Co., 639 South Spring Street. He was formerly with Fewel & Co. and First California Company.

Analysis of Sources and Uses Of Funds in the Year Ahead

Continued from page 1

reliable indication of what interest rates will do. When the supply of short-term funds is more than ample to meet the demand, as was the case in the earlier postwar years when government security holdings by commercial banks, financial institutions and others gave ample liquidity, increased short-term borrowing has little effect on longer-term interest rates. There is enough lending capacity at the short end of the market to take case of the larger demands.

But when the supply of short-term funds falls far short of the demand, as it did in 1959, then soaring yields on short-term securities draw funds away from long-term investing and lending, so that the supply of long-term funds is contracted and, as funds become scarce, long-term rates are pushed up along with short-term.

This was dramatized by what happened when the Treasury offered the "magic 5's" in the fall of 1959, and funds were drawn out of investing institutions to buy them so that savings institutions were under pressure to sell longer-term securities to meet withdrawals.

The drawing away of funds from the long-term market by very high short-term rates makes it necessary to look at total demand and supply of funds to make projections of practical use under such conditions.

For 1961, let us look at total uses and sources of funds and then at long-term uses and sources, to get a clearer view of what is in prospect for interest rates next year.

The Demand for Funds in 1961

Table I projects the total demand and the total supply of funds.

The total uses of funds in 1961—and the "uses" side is the most important as a rule because it undergoes the most frequent and dramatic changes—are expected to total $39.8 billion. This would compare with $37.6 billion this year, and $54 billion in 1959. If this projection proves accurate, the demand for money in 1961 will remain more than one-fourth below the record 1959 level, and there would be no pressure on the demand side to raise interest rates and not too much pressure even to sustain them at current levels.

The demand for money comes from four main sources: mortgage borrowers, business borrowers, consumer borrowers and government. Since state and local government borrowing is fairly stable, we must look primarily at the prospect for Treasury borrowing in order to complete the picture.

The Decline in Mortgage Borrowing

As far as mortgage borrowing is concerned — and this is the largest single source of the demand for money in the American economy under present conditions —I doubt that the declining trend in such borrowing will be fully arrested in 1961, despite the increased availability of mortgage funds.

It was thought at first that the chief reason that housing starts declined in 1960 from the record number of 1959 was limited availability of mortgage money. But there are indications, growing in number, that what held down the number of housing starts last year has been more than unavailability of mortgage money. For example, vacancies of rental housing, according to an excellent analysis in the August Federal Reserve Bulletin based on Bureau of the Census figures, have risen above 7% of all available rental housing units, a postwar peak. The relatively sharp recent upturn in building of multiple-family houses, to judge from these figures, has more than satisfied demands for the country as a whole. Outside of metropolitan areas, the vacancy ratio is now more than 10%.

From here on, these vacancy ratios will be worth looking at because the housing shortage is a thing of the past. Vacancies, as in the past, will be an indicator of prospective building activity, and hence of demand for mortgage money. They are also of significance to mortgage lending departments because a higher level of vacancies could indicate a higher proportion of delinquencies, especially for more marginal mortgages.

Other indicators that the number of new housing starts will remain well below the 1959 level are a slowly rising trend in delinquencies on small house mortgages reported by the Mortgage Bankers Association and increased resistance to new home sales in a number of areas, such as Texas.

There is one further reason why I doubt that the demand for mortgage money, which could make a big difference in the total demand for funds, will rise in 1961. The liberalization of terms which gave such a powerful stimulus to home building in the previous postwar recessions is not likely to be a material influence this time, since this process has gone about as far as it can go.

When we had recessions in 1949, in 1954 and in 1958, liberalization of mortgage lending terms gave a big push to home building. Lower down payments, longer maturities and consequent smaller monthly service payments on mortgages stimulated buying of homes.

Available statistics indicate that liberalization of mortgage terms has gone very nearly as far as it is likely to go. The average down payment on all homes financed with FHA mortgages has dropped from 15% in 1955 to 8% in 1959. FHA always has required some down payment, and an average of 8% for all insured mortgages, including the larger liens, is about as low a level as we are likely to see. The average maturity of all FHA mortgages made in 1959 was 28 years. In 1955, four years before, it was 25 years. With such long maturities, further extensions reduce monthly payments very little.

Finally, the average size of the FHA mortgage in 1959 was $13,333 against only $10,287 in '55. In four years, the average size of FHA mortgages has increased almost 30%. Does not this indicate that lower income buyers have been priced out of the market for homes, and that this is a major obstacle to the kind of renewed upsurge in home building and mortgage borrowing that marked a return to easier mortgage market conditions in the past?

If building starts remain around 1,250,000 dwelling units, which is the current level, in 1961, we would be doing relatively well. That would mean that the total demand for mortgage money would be near $16 billion, as compared with the total of over $19 billion in 1959.

Business Borrowing

I expect business borrowing, short-term and long-term, to register some further decline in 1961 for three reasons:

(1) The inventory accumulation that was so marked in the first quarter of last year has come to an end. Why should there be a build up of inventories at a time when excess capacity is apparent in many industries and the conviction is widespread that, for the time being at least, inflation has been checked? Restrained inventory policies limit an important source of the demand for short-term business funds.

(2) The upturn in plant and equipment spending that started early in 1959 has been checked. A decline in such spending of, say, 5% in 1961 could well occur.

The chief reason for limiting such outlays is the existence of the excess capacity in a number of industries. At the present rate of steel consumption, operation at 70% of capacity would provide fully for all requirements without changes in inventory. That hardly encourages larger-scale spending for expansion.

There is good reason for spending on modernization, on labor-saving devices, on anything that will relieve the profit squeeze which the end of inflation has made so pronounced throughout most of the American economy. But spending on modernization alone does not assure $37 billion of plant and equipment spending, which is the level that was reached last year, let alone lead to a material rise above this level.

The dependence of business upon external sources of funds is reduced by the constant increase in the cash flow due to mounting depreciation deductions from year to year. In 1960, the cash flow from depreciation allowances approximated $23 billion for corporations alone. As more plant and equipment are added to the depreciable base, with a growing proportion written off by accelerated schedules, depreciation deductions mount year by year. Last year's $23 billion of annual depreciation allowance for corporations compares with $18.5 billion in '57, when plant and equipment spending was even larger.

In other words, corporations spent not quite as much on plant and equipment in '60 as in the record year '57, but they had $4.5 billion more with which to finance those expenditures out of the cash flow from depreciation allowances than they had in 1957. So, if everything remains the same, they have to raise $4.5 billion less through borrowing or equity financing.

For these three reasons—a halt in inventory accumulation, a leveling out of plant and equipment spending and a rise in the cash flow from depreciation deductions—some decline in business borrowing is likely. In fact, net bond financing by businessmen in 1961 may not exceed $4 billion, which would compare with over $7 billion in 1957.

Consumer Borrowing

The rising trend of consumer borrowing will continue, but it should be at a slackened pace. Last year the increase in consumer debt was substantially less than in 1959. The increase may be not much over half the record $6.4 billion rise of 1959 for these reasons:

(1) A rough measure of the burden of consumer debt — very rough, but very easy to measure and compare—is the ratio of consumer debt to disposable personal income. This ratio was above 15% last year, since consumer debt rose at a considerably faster pace than disposable personal income. Whether this ratio is too high or not will depend upon future economic conditions. In the past, however, whenever consumer borrowing hit a new high ratio to disposable income, resistance developed to a further increase in the ratio for a time.

(2) Consumer debt repayments —which are a better measure of the burden than total debt figures —climbed to $4 billion a month for the first time in 1960. This is sizably higher than it has ever been before. A rise of 6% in the volume of repayments since the beginning of 1960 put added pressure upon the consumer to slow up the incurring of new debt.

(3) Consumers are relatively well stocked with durables. With the flattening out of the business trend, consumers display increased resistance to buying big ticket items, including automobiles and household appliances.

These conditions point to a slowing up of the increase in consumer borrowing. That means that only the Federal government could cause any material increase in the total demand for funds in 1961.

Treasury Borrowing

I fully share Dr. Marcus Nadler's skepticism about a budget surplus. And should the sag in business become more pronounced, as is possible, the budget deficit would quickly reach material proportions. True, consumer spending on nondurables and services shows a rising trend. But our economy is so geared to durable goods production that even a moderate contraction in the new construction, plant and equipment spending and consumer durable goods buying could bring an over-all downturn of material proportions even if nondurables and services do relatively well.

Any cyclical downturn cuts Federal tax revenues and increases cash expenditures of the government. That does not mean we face a repetition of the record peacetime deficit of $12.4 billion of the fiscal year 1959—and, to avoid political connotations, we must remember it was a Republican administration under which this deficit was incurred, although the Democrats say things which indicate they may do even better. But any recession could produce a sizable deficit, particularly since the chronically strained international situation adds constant pressure for more defense spending.

With our unbalanced international payments and large short-term liabilities to foreigners, a head-on collision is possible between the objectives of internal economic stability and external monetary stability. In such a conflict, we cannot be certain that external monetary stability will win out in the long run.

It is a truism to say that if this country's balance of international payments continues adverse at anything like the current $3 billion plus rate year after year, we will become increasingly vulnerable to large-scale conversion of dollar balances into gold. But whether this threat would assure a balanced budget in the face of business recession and an increase in unemployment is quite doubtful, to say the least.

My conclusions on the outlook for the demands for funds in 1961 are these:

There will be some modest reduction in mortgage, business and consumer borrowing, which will keep the demand for funds more than a fourth below the 1959 peak level. But a return to deficit financing by the Treasury, particularly if the cyclical downturn in business becomes a little more pronounced, could result in a substantial rise in the total demand for money, since the rise in Treasury borrowing would then be substantially larger than any decline in private borrowing that may occur.

Sources of Loanable Funds

There are three main sources of loanable funds:

(1) Institutional savings, which are relatively stable. Three-fourths of institutional savings come from life insurance companies, savings and loan associations and pension and retirement funds, which have had a markedly stable growth trend. Savings and loan associations may experience some slackening of growth in 1961, particularly if rumors about a reduction in the rate of dividend paid by savings and loan associations in California and some other states, from the 4½% level, should prove justified. Softening of mortgage interest rates and a rising expense ratio tend to give substance to these rumors.

(2) The second source of funds is individual and miscellaneous investments. They constitute the marginal source of funds for direct investments in bonds. Very attractive rates of interest are required to induce individuals to expand their bond purchases, as

TABLE I

Total Uses and Sources of Funds

(In Billions of Dollars)

		1958		1959		1960		1961
USES:								
1 Real estate mortgages		$15.3		$19.1		$16.0		$15.8
2 Business								
Corporate bonds	$5.9		$4.3		$4.4		$4.0	
Corporate stocks	2.1		2.8		2.4		2.0	
Business credit	4.4	12.4	7.0	14.1	4.5	12.5	5.0	11.0
3 Government								
Federal (and agencies)	7.5		10.0		—0.5		4.0	
State and local	5.9	13.4	5.3	15.3	5.2	4.7	5.5	9.5
4 Consumer credit		0.3		5.5		4.4		3.5
Total		41.4		54.0		37.6		39.8
SOURCES:								
1 Institutional								
Life insurance companies	6.3		6.0		5.5		5.8	
Savings & loan assns.	6.1		6.6		7.0		6.8	
Mutual savings banks	2.3		0.9		1.5		1.8	
Credit unions	0.5		0.6		0.7		0.7	
Corporate pension funds	2.8		3.4		3.4		3.6	
State and local funds	2.6		3.3		2.5		2.8	
Fed. accounts & agencies	—0.3		1.1		1.5		1.6	
Fire and casualty cos.	1.1	21.4	1.2	23.1	1.1	23.2	1.2	24.3
2 Com. banks (loans & invest.)		15.1		5.1		4.2		5.0
3 Business and individuals								
Business corporations	4.0		10.3		3.0		4.5	
Foreign investors	—0.1		3.8		0.7		0.5	
Individuals, etc.	1.0	4.9	11.7	25.8	6.5	10.2	5.5	10.5
Total		41.4		54.0		37.6		39.8

TABLE II

Uses and Sources of Long-Term Funds

	1958	1959	1960	1961
USES:				
Real estate mortgages	$15.3	$19.1	$16.0	$15.8
Corporate bonds	5.9	4.3	4.4	4.0
State and local debt	5.9	5.3	5.2	5.5
Total	27.1	28.7	25.6	25.3
SOURCES:*				
Life insurance companies	4.5	4.8	4.8	5.0
Savings and loan associations	5.6	7.5	6.8	6.2
Mutual savings banks	2.7	1.5	1.1	1.3
Corporate pension funds	1.4	1.6	1.8	1.9
State and local funds	1.5	1.6	1.9	2.0
Fire and casualty cos.	0.8	1.1	1.1	1.0
Commercial banks	4.8	2.5	1.4	2.1
FNMA	—0.1	1.6	0.4	—0.1
Individuals, etc.	5.9	6.5	6.3	5.9
Total	27.1	28.7	25.6	25.3

*Only net acquisitions of mortgages, corporate bonds and state and local obligations.

was seen in 1959 when a large volume of individual funds went into the "magic 5's."

Since, with the reduced total demand for funds, it will not be necessary to attract large amounts of purchases of securities by individual and miscellaneous investors, there will be no pressure for higher interest rates from a need to do so.

(3) Commercial banks, the third major source of funds, constitute a big question for 1961.

Net free reserves, which now are substantial, although not as effective as usual because they take the form of vault cash in part, will doubtless be increased if business should sag further. Here the question arises whether the Federal Reserve would refrain from making money easier for fear of increasing the gold outflow. The new Administration's acts and plans could affect the answer to this question, but pressure to combat recession and unemployment could be too strong to resist in any event.

Will commercial banks buy securities with longer maturities if there is a further decline in business borrowing, if consumer borrowing increases more slowly and if net free reserves of member banks are kept at a relatively high level? There are reasons for doubting this will occur on any considerable scale.

As compared with 1958, the loan to deposit ratio is substantially higher, bank profits are higher, the desire for liquidity is greater, and a new business upturn would bring another rise in interest rates and decline in bond prices. Hence, most banks can be expected to favor relatively short maturities in adding to their securities.

In any event, the commercial banks' portfolio policies will have a considerable influence on the interest rate pattern under current conditions.

Long-Term Funds

Table 2 shows estimates of the uses and sources of long-term funds, that is, real estate mortgages, corporate bonds and state and local government bonds.

These projections indicate a reduced demand for mortgage money and a moderate volume of corporate bond financing which will be only partly offset by some increase in state and local borrowing.

If the Treasury has to raise new money due to a return to deficit financing, it would doubtless rely upon short and intermediate obligations. The Treasury influences long-term interest rates chiefly through its advance refunding program. Further advance refunding operations may well be undertaken in 1961, since the results have been gratifying and the procedure is so sensible. The Democrats may wait a bit just because some of them were so critical at first. Advance refunding affects long-term interest rates in two ways. Because advance refunding increases the supply of long - term government bonds, prices are held down and yields tend to move up. There are more bonds around, and some holders will sell their long bonds from time to time. But a second effect is some reduction in the volume of funds available to buy mortgages and corporates. Without advance refunding, investing institutions holding government bonds nearing maturity would sell them as this could be done without much loss and reinvest the proceeds in mortgages and other investments giving higher yields. The chief argument for advance refunding is that it makes the institution getting a higher coupon long-term bond a willing holder of such issues, and then there is so much less incentive to shift from Treasury obligations into mortgages or corporates.

To the extent that insurance companies, mutual savings banks, pension funds and others who hold Treasury 2½s become satisfied holders of 3½s, the amount of funds that these institutions will have for mortgage lending and corporate bond investing will be limited. On the one hand, advance refunding increases the supply of long-term governments in the market. On the other hand, it reduces the amount of loanable funds that investing institutions will obtain by selling Treasury bonds as they near maturity for switching to other investments.

The supply of long-term funds will be well sustained in 1961, the figures show, with pension funds having some increase and savings and loan associations facing the prospect of some decrease in the volume of new funds they will have for new investments.

Conclusions

(1) The demand for borrowed funds by the American economy, after reaching a peak in 1959, declined by over a fourth in 1960 and promises to undergo little recovery in 1961. The demand for funds for home building, for business investment and purchases of consumer durables could be somewhat smaller in 1961 than in 1960. The big question is whether the Federal Government will again be a borrower of new money in significant amounts. A countercyclical fiscal policy by the new Administration would bring an increase in total demand for funds as the Treasury finances the deficit this would produce.

(2) The supply of funds from savings institutions promises to be sustained, with a possible slowing up of the inflow of funds into savings and loan associations if there is shading of rates paid by associations in areas where high rates have been attracting savings from other parts of the country.

(3) The supply of funds from individual and miscellaneous, including foreign investors, will contract as lower yields discourage direct investment in fixed interest securities by these classes of holders. But these investors aren't needed to balance supply and demand with the decline in demands for funds.

(4) The big question mark as regards the supply of funds is what the commercial banks will do in the year ahead. The volume of funds they will supply will depend, first, upon Federal Reserve policy, which is subject to the conflicting influences of a sagging domestic business trend and a gold outflow that calls for higher interest rates to hold funds in this country and to attract funds from abroad under classic central banking policy, a policy which may not be adopted. It will depend, secondly, upon the willingness of banks to assume the risk of substantial depreciation of intermediate term investments in the next cyclical upturn in business and in interest rates.

If banks limit their purchases chiefly to short-term issue in adding to investment portfolios under the spur of larger net free reserves, which seems probable, then short-term rates are going to be more vulnerable than long-term rates to downward pressures in 1961. We have seen a restoration of the positive yield curve as the demand for short-term funds has contracted this year and the supply has increased. This will continue to prevail if banks use additional reserves provided them to expand their short-term security holdings in the period ahead.

The uses and sources estimates for 1961 point to these conclusions about the outlook for interest rates:

(1) The downturn in interest rates that occurred last year will not be reversed. Nothing in the demand and supply of funds figures in Table I would indicate that there will be a renewed upturn of interest rates during the coming year.

(2) A further substantial decline in interest rates is more likely to be in the short end than in the long end of the market since the added supply of funds will come chiefly from commercial banks due to some further easing of the banks' net free reserve position. In fact, as banks adjust their thinking to including vault cash in figuring their excess reserves, that alone would lead to expansion of security holdings. An increase in net free reserves by the Federal Reserve authorities to counter recession tendencies, and less vigorous demands for business and consumer loans would add pressure on banks to add to security portfolios.

Two developments could change this prospect:

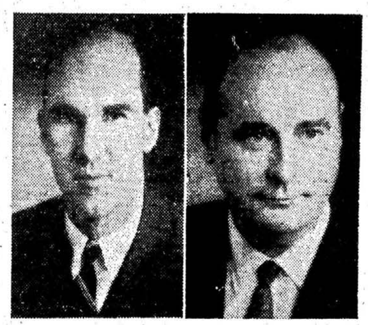
(1) A return to large-scale Treasury deficit financing without further easing of Federal Reserve credit policy would tend to stiffen interest rates, especially at the short-term end.

(2) A belief by many commercial banks that the business readjustment now under way will continue for some time because the economy may need a year or two to work off margins of excess productive capacity, of housing inventories, and so on, and consequently a decision to expand holdings of intermediate obligations for higher yields. Such a decision by the banks would exert pressure upon longer-term interest rates.

*An address by Dr. Bogen before the 11th annual Investment Seminar sponsored by New York State Bankers Association, in co-operation with the Graduate School of Business Administration of New York University.

Chemical Bank Elects Two V.-Ps.

David L. Mitchell and Kenneth Porter have been elected Vice-Presidents of Chemical Bank New York Trust Co., it has been announced by Chairman Harold H. Helm. Mr. Mitchell joined the



David L. Mitchell   Kenneth Porter

bank in 1948 and has served as an Assistant Secretary since 1953. He is with the bank's International Division at 165 Broadway. Mr. Porter joined the bank in 1947 and became an Assistant Secretary in 1954. He is a member of the bank's Metropolitan Division, at its Rockefeller Center Office, 11 West 51st Street.

Lowell, Murphy to Be NYSE Firm

DENVER, Colo.—Lowell, Murphy & Company, Incorporated, Denver Club Building, on Jan. 12 will become a New York Stock Exchange member corporation with the acquisition of a membership in the Exchange by John H. Lowell, Executive Vice-President of the firm.

Other officers are Thomas H. Murphy, President; John P. Haggerty, Vice-President; and William L. Mickelberry, Secretary-Treasurer.

H. Hentz Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Ezra Ratner has been added to the staff of H. Hentz & Co., 9680 Santa Monica Blvd. He was formerly with J. A. Hogle & Co.

AS WE SEE IT

Continued from page 1

even to its own satisfaction, and impossible to determine the cost of some of the programs which no one would say were wholly free from subsidies.

The Facts

But the facts laid bare in this report are at times highly significant and even staggering. What is most disturbing of all is the fact that there is no evidence whatever that these programs have been "so contrived as to eliminate the necessity for their continuation." Without undertaking to determine the exact element of subsidy inherent in some of these programs which admittedly are not always to be regarded as altogether subsidies, the committee publishes an estimate of the "net expenditures on subsidy and subsidylike programs of the Federal Government" during the fiscal years, 1951 through 1961. The figures for 1960 are estimated, but can hardly be very far awry. The 1961 figures are obviously too "iffy" to be dependable, and are here ignored.

Now what are the overall figures of cost? The grand total in fiscal 1951 is reported at just under $2 billion. Since that year there has never been a single fiscal period when the figure was not greater than the year before, and the 1960 net expenditures are put down at just short of seven and a half billion. There is so far as we are aware no reason to suppose that the element of subsidy in these outlays—and it is large enough at any and all times—has declined over the period in any really meaningful degree. There is certainly no evidence here that these programs have been so contrived as to remove the necessity (if there ever was any) of their continuance. Naturally the net outlays on some individual programs move in a downward direction at times, but are quickly replaced by increases in other directions, and downward movements often are due to some change in markets or other factors which can hardly be counted upon to continue.

What Are the Costs?

But in some instances it is possible to arrive at costs, or a part of the costs, of the actual subsidy paid out to this or that favored factor in the community. This is especially true of agriculture. Take the operations of the Commodity Credit Corporation. Here is a device contrived in the early days of the New Deal to extend aid to the embattled farmers. It was to support the prices of farm products so that the farmer could dispose of his wares at a profit or at least without crushing loss. It was thought of as a temporary procedure, the necessity for which would not continue and the Federal Government might even in the end make a profit from this bit of market manipulation, so it was sometimes said.

Well, in the words of the late Alfred Smith, what does the record show? The realized losses of the corporation from the time it began operations through June 30, 1960 total more than $10¼ billion. What is more, the figure for fiscal 1960 is the largest of any recent year with the lone exception of the year, 1957. Now, it is to be understood that these are merely the realized losses of the corporation. What losses are yet to be taken on its enormous inventory of farm products no one can say, of course, but neither can anyone have the slightest doubt that they will be large enough in all conscience. So far from removing the necessity—if there ever was one—of its continuation, this corporation may be likened to a drop (or rather a quart) of blood on a tiger's tongue. The more it has paid out the more farmers demand from it or similar programs. The Kennedy Administration is understood to be committed to large outlays—quite possibly record outlays—on behalf of the farmer, as a Nixon Administration would have been.

And More to Come

And so the story goes. Maritime subsidies, subsidies to air carriers, postal subsidies, subsidies involved in what is termed stockpiling of strategic commodities and all the rest. Now despite all this—and there is nowhere any evidence of a determination of the new Administration to reduce any of these costs in any meaningful way—word comes from the Kennedy headquarters that large additional expenditures are planned for health insurance, for "depressed areas," and for education. Of course these are hardly other than subsidies under any reasonable concept of the term. We have yet to hear what is to be done for agriculture, and for various other claimants of largesse. If there is one thing that subsidies never do it is to bring a willingness of the subsidized to give up their largesse.

The usual evasion of responsibility in such matters as these is to say that "value judgments" about the grant of special favors are the function of the people themselves, which is another way of saying that they are to be left to the mercies of "practical politics."

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

"Who's Important?"

Our stint for this week deals with a sale that was not made and one that was. When a salesman becomes recognized among his clients for his good judgment, and his knowledge of investments, that is very much in his favor. But when he assumes a pose and tries to impress others with his ability as a market diagnostician who has all the answers at his finger tips, he is treading on dangerous ground. This is especially so when he is attempting to do business with men who have made a business success on their own, and who have met and dealt with many men before they met him.

If you have a good record of performance your recommendations will speak for themselves. If you are conservative, informed, and you know something about this business you won't have to tell others; they will eventually find out for themselves. If there ever was a profession where the poseur only harms himself it is in the investment business. A person's capital is too important to be entrusted to the advice and suggestions of anyone that is not truthful all the way through.

Every man should have confidence in himself, but when a salesman forgets to judge his man and makes statements that are so far off the mark, as in the following case history, there could be a lesson to remember. Recently a very wealthy retired man moved into my community. Several investment men attempted to obtain his business but with no success. Finally a salesman in the local office of a prominent firm made an appointment and was graciously invited to lunch by this retired capitalist. During the interview, and through the entire luncheon, the conversation was devoted to a review of some of the very excellent capital gain situations this salesman had placed before his customers. He told his prospective client of the excellent reputation enjoyed by his firm but devoted most of the time to a detailed resume of the several big winners he had selected for his lucky clients. When he got up to leave he did not notice that his host had not made any overtures to him to see him again, or even invite him to continue the contact. He was polite but probably quite relieved when the salesman left.

Several weeks later he opened an account with another firm. His first transaction amounted to thousands of shares of a situation which he had selected and he placed the order with a salesman who also had called upon him. But this man made no pretense about his own superior abilities. He talked a while with the investor. He learned that he only selected one or two situations a year that he studied very carefully. He also learned that this man had such a large income that he was only interested in capital gains, but since he had wide contacts in his industry he often obtained information regarding new products, earnings and mergers that was priceless. Naturally, he wanted a broker that could execute his orders, keep them confidential, and who would give him service. The last thing he needed was the assistance of a self-styled expert on the stock market.

The Customer Is Important

The second salesman who is now obtaining all this business was not only correct in obtaining his prospective customer's views, and information about his needs—investment wise—but he also made the right impression on the investor. He also told him that his firm was well known but all he could offer was a sincere desire to give him the best possible executions when he received any orders. He correctly diagnosed his prospect when he realized that here was a man who had made many millions in his lifetime. He had met all kinds of brokers, salesmen, investors, and industrialists. This was a man who had nation-wide and even world-wide contacts. He didn't need to be impressed by any security salesman's resume of his ability. The second salesman told his story simply and he added that his firm did not make recommendations to clients unless they were requested to do so.

I am often reminded of that classic line attributed to Liberace the self-styled entertainer and pianist, when he was asked if he minded the ridicule to which he was subjected during a phase of his career and he said "No, of course not, I cry all the way to the bank." No one wants to know how smart you are, how many winners you picked, how many clients you have helped make large and sundry fortunes. When you are selling securities you are dealing with people, just the same kind of people as you find everywhere. What they want is someone who is reliable, who understands their needs, and who will give them personal attention. And it matters not if that man is a retired millionaire or a hard-working Doctor who is trying to build up his capital—it's the customer who is important and a good salesman knows it.

New NYSE Quote Circuit

The New York Stock Exchange will establish a new nationwide leased-line circuit on Feb. 1, exclusively for the distribution of bid-asked quotations to member firm offices, Keith Funston, President of the Exchange, has announced.

The new circuit, recently approved by the Exchange's Board of Governors, will be in addition to two leased-line ticker circuits already emanating from the Exchange, one reporting stock transactions and one reporting on bonds.

The quote wire is expected to go into use initially at member firm offices in the Los Angeles, San Francisco, Chicago, Boston, Philadelphia, Miami and New York areas, where new equipment for use with the circuit is available.

The bid-asked circuit will be for connection to new electronic devices which will enable member firm subscribers to press several buttons and receive bid-asked quotations on printed tape within seconds.

It is anticipated that there will be installations in member offices in about 40 cities by the end of 1961 and that they will continue to increase after that in cities throughout the nation, as equipment becomes available.

Latest bids to buy and offers to sell established on the Exchange's trading floor will be quoted on the new circuit for 800 to the 1,500-plus common and preferred stocks listed on the Exchange.

The quote wire will operate continuously during the Exchange's 10:00 a.m. to 3:30 p.m. (Eastern Time) trading hours, starting with the opening quotes on the 800 stocks and thereafter reporting the quote changes as they occur on the floor.

The new circuit will have a maximum capacity of about 60 quotes a minute. On an average day it is estimated that about 10,000 quotes will be given for the 800 stocks.

The issues to be quoted will be selected on the basis of sales and quote activity, and the list will be reviewed regularly. The possibility of expanding the number quoted will continue to be studied.

The stock ticker tape—introduced in 1867—is primarily devoted to reporting volume and prices of round-lot transactions occurring on the trading floor, but it does carry some quotes, as time permits.

The quote circuit — connected with the new electronic device known as the Quotron—will make all quotes for the 800 stocks steadily available in member firm offices across the country within minutes of the time they are established on the trading floor.

Bid-asked quotations on *all* listed stocks will continue to be available over private telephone wires to the Exchange from subscribing member firms in the New York area and in Philadelphia, Atlantic City and Wilmington, by dialing code numbers. Offices in other cities receive this information by relay over the wire networks of member firms.

Presently, quotes are provided by telephone operators, or, for the 300 most active stocks, by automatic recorder-announcers — an automation procedure expanded by the Exchange last year.

The volume of quotes given by phone is expected to be reduced in proportion to the use of the new nationwide quotation ticker system, Mr. Funston said.

A special quote circuit has been tested successfully in member firm offices in the Los Angeles area for the last few months, and that experimental service will be continued there until it becomes a part of the permanent service to be set up on Feb. 1.

Flynn Joins W. H. Newbold's

PHILADELPHIA, Pa. — W. H. Newbold's Son & Co., members of the New York Stock Exchange and other leading exchanges, announce that John M. Flynn, 2nd, has become associated with them as a registered representative.

Mr. Flynn has been active in the investment securities business since 1924 and before joining W. H. Newbold's Son & Co. had been associated with E. W. Clark & Co. for 30 years as manager of their trading department.

Joins Alm, Kane

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Jordan A. Minerva is now with Alm, Kane, Rogers & Co., 39 South La Salle Street.

Eastman Dillon Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Donald M. Jacks, Jr. has been added to the staff of Eastman Dillon, Union Securities & Co., 135 South La Salle Street.

With Benjamin Lewis

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Arthur A. Coffin, Jr. is now connected with Benjamin Lewis & Co., 39 South La Salle Street.

Joins Mitchell, Hutchins

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Willard J. Wise has joined the staff of Mitchell, Hutchins & Co., 231 South La Salle Street, members of the New York and Midwest Stock Exchanges.

NSTA NOTES

BALTIMORE SECURITY TRADERS ASSOCIATION

The following officers have been elected for 1961 by the Baltimore Security Traders Association:

John C. Yeager

Gilbert A. Lewis

President: John C. Yeager, Baker, Watts & Co.

Vice-President: Gilbert A. Lewis, George G. Shriver & Co.

Secretary: Donald B. Plummer, Stein Bros. & Boyce.

Treasurer: Bernard G. Johnson, Alex. Brown & Sons.

Governors: Charles A. Bodie, Jr., Stein Bros. & Boyce; and Harry J. Niemeyer, Robert Garrett & Sons.

The Association has announced that their annual mid-winter dinner will be held Jan. 20 at the Southern Hotel.

BOSTON SECURITIES TRADERS ASSOCIATION

The Boston Securities Traders Association has elected the following new officers for 1961:

Edward J. Opper

John J. D'Arcy

Wallace D. Dexter

President: Edward J. Opper, J. B. Maguire & Co., Inc.

Vice-President: John J. D'Arcy, F. L. Putnam & Co., Inc.

Treasurer: Wallace D. Dexter, Jr., Stone & Webster Securities Corp.

Recording Secretary: Gerald D'Ambrosio, Schirmer, Atherton & Co.

Commercial Secretary: Francis J. Mullin, White, Weld & Co.

Governors: Alvin A. Dykes, John G. Sessler & Co.; N. Henry Larson, First Boston Corp.; John A. McCue, May & Gannon, Inc.; Martin J. Carew, Jr., Hornblower & Weeks; Richard Corbin, Blyth & Co. Inc., and Fredrick Moore, New York Hanseatic Corporation.

SECURITY TRADERS CLUB OF ST. LOUIS

The Security Traders Club of St. Louis has elected the following roster of officers for 1961:

Edward A. White

Eugene T. Burns

Edward J. Holstein

President: Edward A. White, White & Company.

First Vice-President: Eugene T. Burns, Fusz-Schmelzle & Co., Inc.

Second Vice-President: Kenneth J. Whitehead, I. M. Simon & Co.

Third Vice-President: Sam Felstein, A. G. Edwards & Sons.

Secretary: James A. Ryan, Newhard, Cook & Co.

Treasurer: Edward J. Holstein, Stifel, Nicolaus & Co., Incorporated.

National Committeemen: Mr. White, John F. Matye, Dempsey-Tegeler & Co.; and Ralph C. Deppe, Edward D. Jones & Co.

The following committee Chairmen have also been named by the Club:

Membership: Irving E. Reimer, G. H. Walker & Co.

Entertainment: R. Charles Goodwin, Goldman, Sachs & Co.

Business Practice: Richard H. Walsh, Newhard, Cook & Co.

Public Relations: Robert M. Guion, Newhard, Cook & Co.

Finance: Kenneth Kerr, Fusz-Schmelzle & Co.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Steel ingots and castings (net tons)		Not avail.	Not avail.	Not avail.	Not avail.
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Dec. 23	7,193,310	7,132,260	6,992,460	7,108,875
Crude runs to stills—daily average (bbls.)	Dec. 23	¶8,009,000	7,927,000	8,092,000	8,266,000
Gasoline output (bbls.)	Dec. 23	29,199,000	28,602,000	28,776,000	29,398,000
Kerosene output (bbls.)	Dec. 23	2,908,000	2,956,000	3,108,000	2,756,000
Distillate fuel oil output (bbls.)	Dec. 23	13,437,000	12,924,000	13,367,000	13,206,000
Residual fuel oil output (bbls.)	Dec. 23	6,377,000	6,644,000	6,257,000	6,951,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Dec. 23	191,323,000	189,959,000	187,906,000	184,045,000
Kerosene (bbls.) at	Dec. 23	32,020,000	34,603,000	37,099,000	27,080,000
Distillate fuel oil (bbls.) at	Dec. 23	151,095,000	159,534,000	175,741,000	151,441,000
Residual fuel oil (bbls.) at	Dec. 23	47,207,000	48,632,000	48,808,000	50,451,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Dec. 24	467,978	486,059	471,400	468,889
Revenue freight received from connections (no. of cars)	Dec. 24	437,096	454,392	472,828	502,129
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Dec. 29	$299,500,000	$443,900,000	$385,000,000	$191,000,000
Private construction	Dec. 29	83,300,000	158,600,000	172,700,000	88,700,000
Public construction	Dec. 29	216,200,000	285,400,000	212,300,000	102,300,000
State and municipal	Dec. 29	159,000,000	194,500,000	173,500,000	89,400,000
Federal	Dec. 29	57,200,000	90,900,000	38,800,000	12,900,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Dec. 24	7,550,000	*7,335,000	6,390,000	6,984,000
Pennsylvania anthracite (tons)	Dec. 24	422,000	403,000	327,000	349,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Dec. 24	320	305	173	246
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Dec. 31	13,596,000	15,114,000	14,368,000	13,565,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Dec. 29	276	253	290	226
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Dec. 27	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Dec. 27	$66.32	$66.32	$66.32	$66.41
Scrap steel (per gross ton)	Dec. 27	$29.17	$28.50	$28.50	$41.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Dec. 28	29.600c	29.600c	29.600c	33.950c
Export refinery at	Dec. 28	27.900c	27.550c	27.800c	31.475c
Lead (New York) at	Dec. 28	11.000c	11.000c	12.000c	12.000c
Lead (St. Louis) at	Dec. 28	10.800c	10.800c	11.800c	11.800c
‡Zinc (delivered) at	Dec. 28	12.500c	12.500c	13.500c	13.000c
Zinc (East St. Louis) at	Dec. 28	12.000c	12.000c	13.000c	12.500c
Aluminum (primary pig, 99.5%) at	Dec. 28	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Dec. 28	100.375c	100.625c	102.250c	98.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 3	88.13	87.73	86.29	79.81
Average corporate	Jan. 3	86.65	86.51	86.51	83.40
Aaa	Jan. 3	91.05	90.91	91.05	87.32
Aa	Jan. 3	88.81	88.67	88.67	85.20
A	Jan. 3	86.11	85.85	86.11	83.28
Baa	Jan. 3	81.29	81.29	80.93	78.43
Railroad Group	Jan. 3	84.17	83.79	84.04	81.05
Public Utilities Group	Jan. 3	87.86	87.86	87.72	83.66
Industrials Group	Jan. 3	88.13	88.13	87.99	85.85
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 3	3.76	3.81	3.96	4.62
Average corporate	Jan. 3	4.66	4.67	4.67	4.91
Aaa	Jan. 3	4.34	4.35	4.34	4.61
Aa	Jan. 3	4.50	4.51	4.51	4.77
A	Jan. 3	4.70	4.72	4.70	4.92
Baa	Jan. 3	5.08	5.08	5.11	5.32
Railroad Group	Jan. 3	4.85	4.88	4.86	5.10
Public Utilities Group	Jan. 3	4.57	4.57	4.58	4.89
Industrials Group	Jan. 3	4.55	4.55	4.56	4.72
MOODY'S COMMODITY INDEX	Jan. 3	356.9	356.4	354.5	375.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Dec. 24	254,950	246,628	261,948	197,621
Production (tons)	Dec. 24	285,977	300,066	270,596	251,626
Percentage of activity	Dec. 24	86	87	81	78
Unfilled orders (tons) at end of period	Dec. 24	305,113	333,862	384,818	345,194
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Dec. 30	108.50	108.80	108.80	111.70
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Dec. 9	2,736,990	2,410,890	2,121,150	2,781,990
Short Sales	Dec. 9	482,150	443,810	504,400	408,750
Other sales	Dec. 9	2,089,270	1,866,690	1,744,230	2,236,990
Total sales	Dec. 9	2,571,420	2,310,500	2,248,630	2,645,740
Other transactions initiated off the floor—					
Total purchases	Dec. 9	490,710	427,470	318,310	446,310
Short Sales	Dec. 9	69,200	62,100	50,300	25,600
Other sales	Dec. 9	432,680	367,560	329,170	405,840
Total sales	Dec. 9	501,880	429,660	379,470	431,440
Other transactions initiated on the floor—					
Total purchases	Dec. 9	939,773	763,140	710,684	881,108
Short Sales	Dec. 9	145,000	180,330	164,500	103,490
Other sales	Dec. 9	717,445	649,736	587,959	792,482
Total sales	Dec. 9	862,445	830,126	752,459	895,972
Total round-lot transactions for account of members—					
Total purchases	Dec. 9	4,167,473	3,601,500	3,150,144	4,109,408
Short Sales	Dec. 9	696,350	686,300	719,200	537,840
Other sales	Dec. 9	3,239,395	2,883,986	2,661,359	3,435,312
Total sales	Dec. 9	3,935,745	3,570,286	3,380,559	3,973,152
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	Dec. 9	1,675,532	1,651,053	1,446,667	1,916,269
Dollar value	Dec. 9	$77,368,043	$75,313,989	$67,541,044	$97,462,821
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Dec. 9	1,897,746	1,765,457	1,191,602	1,762,290
Customers' short sales	Dec. 9	17,164	16,655	22,367	6,629
Customers' other sales	Dec. 9	1,880,582	1,748,802	1,169,235	1,755,661
Dollar value	Dec. 9	$82,188,681	$78,388,464	$56,966,684	$85,326,989
Round-lot sales by dealers—					
Number of shares—Total sales	Dec. 9	670,640	586,470	324,570	476,610
Short Sales	Dec. 9	------	------	------	------
Other sales	Dec. 9	670,640	586,470	324,570	476,610
Round-lot purchases by dealers—Number of shares	Dec. 9	479,770	468,600	561,210	640,860
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	Dec. 9	924,200	948,130	1,015,870	610,050
Other sales	Dec. 9	18,050,330	16,325,810	13,131,790	17,059,770
Total sales	Dec. 9	18,974,530	17,273,940	14,147,660	17,669,820
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Dec. 27	Not avail.	119.5	119.6	118.8
Farm products	Dec. 27	Not avail.	88.8	89.7	85.0
Processed foods	Dec. 27	Not avail.	109.6	107.2	104.8
Meats	Dec. 27	Not avail.	97.6	97.5	88.9
All commodities other than farm and foods	Dec. 27	Not avail.	127.9	127.8	128.5

*Revised figure. ¶Includes 954,000 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 INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of November	12,412	13,760	13,015
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of November:			
Cotton Seed—			
Received at mills (tons)	1,505,500	1,697,900	1,404,700
Crushed (tons)	751,000	760,800	733,200
Stocks (tons) Nov. 30	2,393,500	1,639,000	2,609,000
Cake and Meal—			
Stocks (tons) Nov. 30	198,800	167,700	113,100
Produced (tons)	349,500	353,500	341,100
Shipped (tons)	318,400	322,900	338,800
Hulls—			
Stocks (tons) Nov. 30	70,000	57,900	73,000
Produced (bales)	165,100	164,600	165,600
Shipped (tons)	153,000	142,400	159,400
Linters—			
Stocks (bales) Nov. 30	181,700	147,800	227,500
Produced (bales)	223,200	226,800	224,800
Shipped (bales)	189,300	181,000	181,700
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— Crop as of Dec. (final) (in thousands):			
Corn all (bushels)	4,352,668	4,378,724	4,281,316
Wheat, all (bushels)	1,363,443	1,368,233	1,126,682
Winter (bushels)	1,117,131	1,116,610	923,594
All spring (bushels)	246,312	251,623	203,088
Durum (bushels)	33,969	36,155	20,232
Other spring (bushels)	212,343	215,468	182,856
Oats (bushels)	1,161,512	1,178,085	1,066,370
Soybeans for beans (bushels)	558,778	------	533,175
Barley (bushels)	423,136	414,922	422,073
Rye (bushels)	32,109	31,084	22,339
Buckwheat (bushels)	1,211	------	1,233
Flaxseed (bushels)	31,101	30,588	21,890
Rice (bags)	54,403	54,218	53,438
Popcorn (pounds)	332,301	------	289,073
Sorghum grain (bushels)	637,673	617,515	585,253
Sorghum forage (tons)	4,629	------	4,606
Sorghum silage (tons)	11,885	------	11,278
Cotton, lint (bales)	14,309	14,298	14,558
Cottonseed (tons)	5,921	------	5,991
Hay, all (tons)	121,242	118,749	113,650
Hay, wild (tons)	10,362	10,564	8,865
Alfalfa seed (pounds)	130,323	------	129,268
Red clover seed (pounds)	89,765	------	86,831
Alsike clover seed (pounds)	5,160	------	6,010
Sweetclover seed (pounds)	27,696	------	27,507
Lespedeza seed (pounds)	90,625	------	124,295
Timothy seed (pounds)	46,875	------	44,098
Beans, dry (bags)	17,909	17,881	18,853
Peas, dry (bags)	3,071	2,732	4,605
Cowpeas for peas (bushels)	1,369	------	1,733
Peanuts, picked and threshed (pounds)	1,772,825	1,766,075	1,590,768
Velvetbeans (tons)	54	------	71
Potatoes:			
Winter (cwt)	3,264	3,114	4,005
Early spring (cwt)	3,502	3,287	3,144
Late spring (cwt)	27,434	28,212	23,558
Early summer (cwt)	15,038	15,091	14,277
Late summer (cwt)	33,608	32,581	35,519
Fall (cwt)	173,831	171,499	164,778
Total (cwt)	256,677	253,784	243,281
Sweetpotatoes (cwt)	15,667	15,519	18,833
Tobacco (pounds)	1,960,373	1,951,582	1,796,071
Sorghum sirup (gallons)	2,099	------	2,508
Sugarcane for sugar & seed (tons)	7,357	7,887	7,318
Sugarcane sirup (gallons)	3,525	------	3,635
Sugar beets (tons)	16,472	16,576	17,015
Maple sirup (gallons)	1,254	------	1,191
Broomcorn (tons)	21	20	30
Hops (pounds)	45,976	46,347	53,600
Apples, commercial crop (bushels)	106,380	107,370	121,787
Peaches (bushels)	73,698	74,723	74,339
Pears (bushels)	26,065	26,408	30,191
Grapes (tons)	3,018	3,020	3,139
Cherries (tons)	187	196	215
Apricots (tons)	244	237	230
Plums (tons)	92	------	100
Prunes, dried (tons)	138	------	144
Prunes, other than dried (tons)	23	------	71
Avocados (tons)	34	------	73
Olives (Calif.) (tons)	70	------	27
Oranges (boxed)	121,925	------	126,760
Grapefruit (boxed)	41,870	------	41,620
Lemons (boxed)	15,100	------	18,230
Tangerines (boxed)	4 200	------	2,800
Cranberries (barrels)	1,336	1,344	1,253
Pecans (pounds)	181,450	179,200	144,100
Almonds (Calif.) (tons)	52	------	83
Walnuts (tons)	72	------	62
Tung nuts (tons)	53	------	110
Commercial vegetables:			
For fresh market (28 crops) (tons)	8,618	------	8,253
For processing (11 crops) (tons)	7,312	------	6,914
NONFARM REAL ESTATE FORECLOSURES—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION—Month of Sept.	4,814	4,347	3,421
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— As of Dec. 1	87%	------	86%
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)— Month of September:			
Net railway operating income	$34,515,377	$44,386,802	$45,674,202
Other income	33,793,646	25,478,865	23,937,883
Total income	68,309,023	69,865,667	69,612,085
Miscellaneous deductions from income	7,494,871	4,403,096	4,400,520
Income available for fixed charges	60,814,152	65,462,571	65,211,565
Total fixed charges	31,488,418	31,339,785	31,194,611
Income after fixed charges	29,325,734	34,122,786	34,016,954
Other deductions	3,410,225	4,188,217	4,669,919
Net income	25,915,509	29,934,569	29,347,035
Depreciation (way & structure & equipment)	52,847,599	52,563,334	51,466,906
Federal income taxes	14,012,267	16,632,199	14,552,931
Dividend appropriations:			
On common stock	22,958,744	18,446,301	19,797,051
On preferred stock	1,049,349	2,547,586	841,903
Ratio of income to fixed charges	1.93	2.09	2.09
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of November:			
Net sales	------	------	------
Net purchases	$105,503,500	$25,546,300	$71,596,000
WINTER WHEAT PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of Dec. 1 (bushels)	1,034,486,000	------	1,117,131,000

THE SECURITY I LIKE BEST...

Continued from page 2

LAWRENCE F. SMART

New Orleans, La., Member NASD

Western Natural Gas Company

This company has previously been written up in "The Security I Like Best" column of the *Commercial and Financial Chronicle*, and it has performed well after being recommended; but, due to the general disfavor into which oil and gas securities have fallen, it is once more on the bargain counter.

Lawrence F. Smart

In their convention in Hollywood, Fla., 700 investment bankers, when queried about industry preference for their stock investments, according to U. S. News and World Report, picked their top three in this order; Oil and Gas, (294 bankers); Utilities, (202 bankers); Electric and Electronics, (190 bankers). These preferences indicate that the investment bankers are beginning to love the oil industry once again.

Western is owned partially to the extent of about 20% by El Paso Natural Gas Company, and by Mr. Paul Kayser, who directs both companies, to the extent of about 7%. Thus, Western, although relatively small, has the advantages of good management and the opportunities of a major company by virtue of its closeness to El Paso. This connection also provides a ready access to marketing opportunities for Western's increasingly large gas reserves.

Western, unlike most small producing companies, has shown net earnings regularly in the past several years as follows: in 1958, $2,030,984; 1959, $2,379,129; in 12 months ending September, 1960, $1,006,474. The big drop in 1960 earnings was caused by a charge off of $800,000 for lease abandonments in offshore Louisiana and in Venezuela. There was also some price weakness in the refined products markets of the company's recently acquired Premier Division resulting from price wars during the first six months of the year. These markets have improved somewhat in the last six months. In the Sept. 30, interim statement, the company predicts earnings close to $3 million for the calendar year 1961.

The company's predominant interest is in gas production, but its other interests in crude oil and refining are also important assets. More than 2 trillion cubic feet of gas reserves are estimated to be held domestically in the Gulf Coast area, the Permain Basin, Hugoton, the Four Corners area, and the Brown Basset Field in West Texas. The gas reserves in Canada have topped 600 billion cubic feet, but these are rapidly being extended currently by actively drilling into large land holdings in British Columbia.

The Brown Bassett Field in Terrell County, Texas has just recently been placed into commercial production by the starting of a carbon dioxide removal plant owned by El Paso on Dec. 15, 1960. This field will produce 200 million cubic feet per day, of which Western's net portion will be 50 million cubic feet per day of net pipe line gas priced at 11½¢ mcf. The pipe line take is expected to increase to 100 million net cubic feet daily by the end of 1961.

In the Fort Nelson area of British Columbia, Canada, Western has varying interests approximately 20-25% in several hundred thousand acres which include the entire Clarke Lake Field, now two miles wide and 12 miles long. All of the limits of this field have not yet been established.

At Kotcho Lake, Canada, 44 miles Northeast of Fort Nelson, Western has a 25% interest in 283,858 acres on which two wells have been completed and one well having an open flow capacity of 825 million cubic feet per day, viz No. 4, having a measured flow of 9.6 million cubic feet per day under a drill stem test pressure of 1,600 psi. The extent of this field is as yet undefined.

At Petitot River, 68 miles north of Clarke Lake, Western has drilled two wells, having open flow potentials of 80 million and 185 million cubic feet per day each, respectively. The company has a 25% interest in 233,850 acres including and surrounding these wells.

The company considers all three of these fields to contain major gas reserves. Accordingly, Gas Trunklines of Canada, Ltd., a pipe line company constituted by Northeast British Columbia producers has been established, and it has started a pipeline to connect these fields to Westcoast Transmission lines now in operation transporting gas to the Vancouver area and the U. S. A. The line is expected to be completed by the end of 1961, and initially, it should take enough gas from Western to increase the gross yearly earnings by $1.5 million, increasing substantially as production facilities and markets are further established.

At Blueberry, B. C., the company has a 13.3% interest in 287,204 acres of leases and permits; and, at Gundy Creek it has a 50% interest in 21,717 acres of leases. These fields have already been partially developed and production established. Westcoast Gas Transmission is presently taking production from them. The company also has an interest in crude oil which underlies the gas producing horizons, in the Mississippian, as yet not in production, but considered potentially valuable.

In Venezuela, the company has a production of 2,450 barrels per day of crude oil. This production is from Western's interests in Block 10 and 17 in Maracaibo in association with Phillips and others. An interest is also held in Eastern Venezuela on a major block on which heavy oil production has been established but not as yet produced.

Western became an integrated oil company on Aug. 7, 1959 by the purchase of Premier Oil Refining Company of Texas. This purchase included refineries at Longview, Fort Worth and Baird, Texas, 700 filling stations either owned or leased; and, 700 miles of crude oil pipe lines. This acquisition provided a position for Western whereby an import quota for Venezuelan crude was obtained. A small asphalt products refinery near Brownsville, Texas was also acquired in 1959.

The other major operating areas which I shall touch on briefly, are presently and have in the past, been in Texas, Lea County and the San Juan Basin in New Mexico, Hugoton, Kans., the Four Corners in Utah, and the Gulf Coast. These areas are being extended and others, such as the Rocky Mountain area, Mont. and some parts of Alberta, Canada are being explored with some already established successes.

It appears to me after a close study of statistics, articles and company statements that the common stock has a present indicated value of over $25 per share. This does not take into consideration future discoveries on the large British Columbia acreage jointly held with others who are capable of putting up the necessary prospecting and development costs to aid in a profitable exploitation of the properties.

The company owned 90 net oil wells and 218 net gas wells at the end of 1959. Acreage held by production was 187,807 and held otherwise was 2,192,872. Drilling results in 1959 joint operations produced 37 successful wells out of 56 wells drilled, resulting in nine new gas fields and four new oil fields, of which Western's share was 18 net wells.

Debt consists of $30.3 million, working capital $7 million, convertible preferred stock $11.3 million; and, common 4,484,330 shares increasing to 5,328,469 after conversion of preferred.

Average highs and average lows for the last 10 years were about $18 and $11 per share, respectively. The common is presently selling 50-60% below its 1959 high of 23⅞, and it is near the average low of the past decade. Thus, in spite of large increases to reserves and the potentialities of the large Canadian land holdings, the stock has enjoyed very little of the enthusiasm that would ordinarily be associated with these successes. This apathy is probably due to the prolonged obstacles of getting Canadian gas to market and to the ponderous surplus of foreign crude oils. The company has, however, plowed back a cash flow of about $6 million per year over a number of years and it may now be resting over a smouldering potential from which it might be on the threshold of emerging.

Even though top notch investment firms have in the past, and are now, recommending this stock and even though it has been written up in this column before, at the risk of being called "not original" in my pick, I strongly urge the immediate purchase of it because I believe an old familiar saying also works in reverse in this industry; "whatever goes down is bound to come up" provided like Western, you can greatly increase your reserves of gas and oil in areas where your products can be sold. The stock is traded in the Over-the-Counter Market.

Kelly Branch Mgr. Shearson, Hammill

BOSTON, Mass.—Shearson, Hammill & Co., has announced the appointment of Allen M. Kelly as Manager of their Boston office at 75 Federal St. David W. Kelly also has joined the office as a Registered Representative.

Allen Kelly

Active in the securities business in Boston for the past five years, Allen M. Kelly is well known locally as a lecturer and teacher of investment courses. He attended Columbia University and the American Institute of Foreign Trade, specializing in accounting and financial analysis. He also studied New York Stock Exchange Procedure and Security Analysis at the New York Institute of Finance.

Clark, Dodge Co. Names Officers

Charles V. Conway and Charles V. Smith were elected assistant Vice-Presidents of Clark, Dodge & Co., Inc., 61 Wall Street, New York City, members of the New York Stock Exchange, effective Jan. 1.

Seven New NASD Governors

The national characteristic and the scope of representation of the Board of Governors of NASD is evidenced in elections recently completed. Seven new members were elected to the board, succeeding a similar number whose terms of office expire this month, (January). The new Governors, like their predecessors, will serve three-year terms each. The NASD board consists of a total of 21 Governors representing all of the 13 NASD districts. The new members for 1961-64 are:

John W. Bunn

Merrill M. Cohen

Robert W. Fleming

A. J. Goodwin, Jr.

Hudson B. Lemkau

N. T. Masterson, Jr.

Merl McHenry

Merl McHenry, partner, J. Barth & Co., San Francisco, for District No. 2 which includes the states of California, Hawaii and Nevada. He succeeds Curtis H. Bingham, President, Bingham, Walter & Hurry, Inc., Los Angeles.

John W. Bunn, Senior Vice-President, Stifel, Nicolaus & Co., Inc., St. Louis, for District No. 4, which comprises the states of Kansas, Missouri, Nebraska and Oklahoma. He succeeds Glenn L. Milburn, President, Milburn, Cochran & Co., Wichita.

Neill T. Masterson, Jr., Partner, White, Masterson & Co., Houston, for District No. 6, succeeding James F. Jacques, Vice-President, First Southwest Co., Dallas. The district comprises the state of Texas.

A. Jackson Goodwin, Jr., Vice-President and a Director, Lee Higginson Corp., Chicago, and Merrill M. Cohen, President, J. M. Dain & Co., Inc., Minneapolis, for District No. 8 which covers the states of Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin. Mr. Goodwin succeeds James G. Dern, Partner, Smith, Barney & Co., Chicago, and Mr. Cohen succeeds J. Gordon Hill, Partner, Watling, Lerchen & Co., Detroit.

Robert W. Fleming, Executive Vice-President, Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc., Washington, for District No. 10 which comprises the District of Columbia and the states of Maryland, North Carolina and Virginia. He succeeds as Governor Glenn E. Anderson, President, Carolina Securities Corp., Raleigh, who retires this month as Chairman of the Board of Governors.

Hudson B. Lemkau, Partner, Morgan Stanley & Co., New York, for District No. 12 which includes the states of New York, New Jersey and Connecticut. He succeeds Ralph C. Sheets, Vice-President and a Director, Blyth & Co., Inc., New York.

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**—Robert Edelstein Co., Inc., New York City.

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.

★ Aerosol Techniques, Inc.
Dec. 28, 1960 filed 125,000 shares of common stock. **Price**—$4 per share. **Business** — The company manufactures and packages cosmetic, household, industrial, pharmaceutical, medicinal, dental and veterinary aerosol products for other concerns for sale by them under their own brand names. **Proceeds**—For working capital. **Office**—111 Stilliman Ave., Bridgeport, Conn. **Underwriter** — Michael G. Kletz & Co., Inc., New York City (managing).

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. **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 mid-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.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

American Consolidated Mfg. Co., Inc.
Sept. 27, 1960 (letter of notification) 39,500 shares of common stock (par 33⅓ cents). **Price** — $5 per share. **Proceeds** — For advertising and promotion and accounts receivable. **Office**—835 N. 19th St., Philadelphia, Pa. **Underwriter**—Martin, Monaghan & Mulhern, Inc., Ardmore, Pa.

American 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**—Standard American Securities, Inc., Nashville, Tenn.

★ American Molded Fiberglass Co. (2/24)
Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price**—$4 per share. **Business** — Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds** — For general corporate purposes. **Office** — 40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

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 Recreational Development Corp.
Sept. 7, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds**—For expenses in constructing and operating recreation centers. **Office** — 210 E. Lexington St., Baltimore 2, Md. **Underwriter**—Investment Securities Co. of Maryland, Baltimore, Md.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

Americana Properties, Inc.
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 mid-February.

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.

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. **Offering** — Expected in early February.

★ Atlantic Fund For Investment
See Irving Fund for Investment, below.

• Automobile Banking Corp.
Dec. 27, 1960, filed $2,000,000 of capital debentures and attached warrants to be offered for public sale in units consisting of one $1,000 debenture and a 5-year warrant to purchase 50 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The financing of instalment sales for automobile dealers. **Proceeds**—To retire outstanding 5½% capital convertible debentures and for expansion. **Office**—6 Penn Center Plaza, Philadelphia, Pa. **Underwriters**—Reynolds & Co., Inc., New York and Cruttenden, Podesta & Co.. Chicago (managing). **Offering**—Expected in early February.

• Avery Adhesive Products, Inc. (1/23-27)
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

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NEW ISSUE CALENDAR

January 6 (Friday)
Brooks (James) & Co. Inc.________________Units
(Lloyd Haas & Co.) $450,000
Click Chemical Corp.______________________Common
(John R. Boland & Co., Inc.) $300,000
Lone Star Gas Co.________________________Common
(Offering to stockholders—underwritten by First Boston Corp.) 665,838 shares

January 9 (Monday)
Bowl-Mor Co., Inc.________________________Common
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) 78,955 shares
Bowl-Mor Co., Inc.______________________Debentures
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) $2,000,000
Brothers Chemical Co.____________________Common
(Sandkuhl & Co., Inc.) $300,000
Drexel Equity Fund, Inc.__________________Common
(Drexel & Co.) $5,100,000
Edlund Engineered Products, Inc.__________Common
(Albion Securities Co., Inc.) $300,000
Garsite Corp.____________________________Common
(Theodore Arrin & Co., Inc.) $300,000
Mohawk Insurance Co._____________________Common
(R. F. Dowd & Co., Inc.) $900,000
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
Restaurant Associates, Inc.________________Common
(Shearson, Hammill & Co.) 265,000 shares
Reynolds & Reynolds Co.__________________Common
(H. M. Byllesby & Co. and Grant-Brownell & Co.) 130,000 shares
Varifab, Inc.____________________________Common
(Droulia & Co.) $300,000
Westminster Fund, Inc.____________________Capital
(Kidder, Peabody & Co.) 4,000,000 shares

January 10 (Tuesday)
Heinicke Instruments Co.__________________Common
(Pierce, Carrison, Wulbern, Inc.) 67,000 shares
Missouri Pacific RR.______________Equip. Trust Ctfs.
(Bids 1 p.m. EST) $3,210,000
United Automotive Industries, Inc.__________Common
(Pacific Coast Securities Co.) $300,000

January 11 (Wednesday)
Brunswick Corp.________________________Debentures
(Offering to stockholders—underwritten by Lehman Brothers and Goldman, Sachs & Co.) $25,634,400
Cove Vitamin & Pharmaceutical Inc.___________Units
(Hill, Thompson & Co., Inc., and Globus, Inc.) $337,500
Iowa Power & Light Co.______________________Bonds
(Bids 10:00 a.m. CST) $10,000,000
Montgomery Ward Credit Corp._________Debentures
(Lehman Brothers) $50,000,000
Pacific Gas Transmission Co.____________Debentures
(Offering to stockholders—no underwriting) $13,260,000
School Pictures, Inc.______________________Common
(Equitable Securities Corp. and Kroeze, McLarty & Co.) 100,000 shares
Southern Pacific Co.______________Equip. Trust Ctfs.
(Bids noon EST) $8,400,000

January 16 (Monday)
Bradford Pools, Inc.________________________Units
(R. A. Holman & Co., Inc.) $320,000
Canaveral International Corp.______________Common
(S. Schramm & Co., Inc.) 300,000 shares
Coburn Credit Co., Inc.____________________Common
(Brand, Grumet & Seigel, Inc.) $200,000
Colwell Co._____________________________Common
(Mitchum, Jones & Templeton and J. A. Hogle & Co.) 60,000 shares
Colwell Co.____________________________Debentures
(Mitchum, Jones & Templeton and J. A. Hogle & Co.) $1,000,000
Consolidated Circuit Corp.__________________Common
(Russell & Saxe, Inc.) $125,000
Coral Aggregates Corp._____________________Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000
Cowles Chemical Co.____________________Debentures
(Shearson, Hammill & Co. and Gunn, Carey & Roulston, Inc.) $2,500,000
Crumpton Builders, Inc.______________________Units
(Courts & Co.) 150,000 units
Datamation, Inc.__________________________Common
(Berner Bros. and Earl Edden Co.) $160,000
Dixie Natural Gas Corp.____________________Common
(Vestal Securities Corp.) $300,000
Edwards Industries, Inc.___________________Common
(Joseph Nadler & Co., Inc.) $450,000
Emerson Electric Manufacturing Co.__________Common
(Carl M. Loeb, Rhoades & Co. and Scherck, Richter & Co.) 54,033 shares
Freoplex, Inc.____________________________Common
(Alessandrini & Co., Inc.) $300,000
Geochron Laboratories, Inc.________________Common
(Globus, Inc. and Ross, Lyon & Co.) 150,000 shares
Mortgage Guaranty Insurance Corp.___________Common
(Bache & Co.) 155,000 shares
Pneumodynamics Corp.______________________Common
(Hemphill, Noyes & Co. and Estabrook & Co.) 175,000 shares
R. E. D. M. Corp.__________________________Common
(Robert Edelstein & Co., Inc.) $350,000
Reeves Soundcraft Corp.____________________Common
(Emanuel, Deetjen & Co.) 150,000 shares
Reser's Fine Foods, Inc.____________________Common
(William, David & Motti, Inc.) $270,000
Scrivner-Stevens Co._______________________Common
(Francis I. du Pont & Co.) 70,000 shares
Telephone & Electronics Corp.______________Common
(Equity Securities Co.) $264,900
Town Photolab, Inc.________________________Common
(Michael G. Kletz & Co.) $600,000
Trans-Air System, Inc.______________________Common
(Flomenhaft, Seidler & Co., Inc.) $225,000

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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)

New York Central RR.__________Equip. Trust Ctfs.
Bids Noon (EST) $4,125,000

Peerless Tube Co.____________________Capital
(Winslow, Cohu & Stetson, Inc.) 150,000 shares

Texas Eastern Transmission Corp.__________Bonds
(Dillon, Read & Co., Inc.) $30,000,000

Texas Eastern Transmission Corp.________Preferred
(Dillon, Read & Co., Inc.) 150,000 shares

January 23 (Monday)

Avery Adhesive Products, Inc.___________Common
(Kidder, Peabody & Co. and Wagenseller & Durst, Inc.) 250,000 shares

Banner Industries, Inc.____________________Units
(Netherlands Securities Co., Inc.) $1,250,000

Golden Crest Records, Inc.______________Common
(Dean Samitas & Co., Inc. and Valley Forge Securities Co., Inc.) $255,000

Jouet, Inc. ________________________________Common
(Edward H. Stern & Co.) $300,000

Kleer-Vu Industries, Inc.________________Common
(Paul Eisenberg Co. and Godfrey, Hamilton, Magnus & Co., Inc.) $402,500

Palomar Mortgage Corp.______________Debentures
(J. A. Hogle & Co.) $1,100,000

Rajac Self-Service, Inc.__________________Common
(James Co.) $463,125

Speedee Mart, Inc._______________________Common
(J. A. Hogle & Co.) 90,000 shares

Underwater Storage, Inc.________________Common
(Searight, Ahalt & O'Connor, Inc.) $300,000

United Financial Corp. of California_____Common
(Lehman Brothers) 600,000 shares

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

January 25 (Wednesday)

National Equipment Rental, Ltd.__________Common
(Offering to stockholders—Burnham & Co.) 136,000 shares

January 27 (Friday)

J-F Machine, Diesel & Electronics, Inc.___Common
(Vestal Securities Corp.) $300,000

Willer Color Television System, Inc.______Common
(Equity Securities Co.) $242,670

January 30 (Monday)

Guild Musical Instrument Corp.__________Common
(Michael G. Kletz & Co., Inc.) $330,000

International Electronic Research Corp.___Common
(Schwabacher & Co.) 220,000 shares

Shore-Calnevar, Inc. _______________________Common
(H. Hentz & Co. and Federman, Stonehill & Co.) 200,000 shares

Steel Crest Homes, Inc.______________________Units
(Marron, Sloss & Co., Inc. and Harrison & Co.) $810,000

February 1 (Wednesday)

Elion Instruments, Inc.______________________Units
(Warner, Jennings, Mandel & Longstreth) 60,000 units

Midland Capital Corp._____________________Common
(Eastman Dillon, Union Securities & Co. and Granbery, Marache & Co.) $16,250,000

Toledo Plaza Investment Trust_Beneficial Tr. Ctfs.
(Hodgdon & Co., Inc.) $522,500

February 6 (Monday)

Berkey Photo Service, Inc._______________Common
(Paine, Webber, Jackson & Curtis) 360,000 shares

Solite Products Corp.________________________Units
(William, David & Motti, Inc.) $225,000

February 7 (Tuesday)

Consolidated Natural Gas Co.__________Debentures
(Bids 11:30 a.m. EST) $45,000,000

Grayway Precision, Inc.__________________Common
(Harrison & Co. and Marron, Sloss & Co. Inc.) $300,000

Lake Superior District Power Co.___________Bonds
(Bids to be invited) $30,000,000

February 8 (Wednesday)

Texas Gas Transmission Corp._____________Common
(Dillon, Read & Co., Inc.) 300,000 shares

February 10 (Friday)

Bowling & Construction Corp.____________Common
(Arnold Malkan & Co., Inc.) $600,000

February 14 (Tuesday)

Maryland Cup Corp._______________________Common
(Lehman Brothers) 235,100 shares

Southern Co. ______________________________Common
(Bids to be received) $25,000,000

February 15 (Wednesday)

Chesapeake & Potomac Telephone Co.______Bonds
(Bids 2:30 p.m. EST) $20,000,000

Consolidated Airborne Systems, Inc.__Class A Stk.
(S. D. Fuller & Co.) 180,000 shares

Invesco Collateral Corp.______________________Units
(No underwriting) $777,300

Radar Measurements Corp.________________Common
(Blaha & Co., Inc.) $299,950

February 24 (Friday)

American Molded Fiberglass Co.__________Common
(Vestal Securities Corp.) $148,172

March 1 (Wednesday)

Dodge Wire Corp.___________________________Common
(Plymouth Securities Corp.) $600,000

United Boatbuilders, Inc.__________________Common
(Birr & Co., Inc. and Marron, Sloss & Co., Inc.) 100,000 shares

Wometco Enterprises, Inc.____________________Stock
(Lee Higginson Corp. and A. C. Allyn & Co., Inc.) 100,000 shares

March 15 (Wednesday)

Rochester Gas & Electric Corp.______________Bonds
(Bids to be received) $15,000,000

March 23 (Thursday)

Alabama Power Co.__________________________Preferred
(Bids 11 a.m. EST) $8,000,000

Alabama Power Co.__________________________Bonds
(Bids 11 a.m. EST) $13,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.________________Bonds
(Bids to be received) $30,000,000 to $35,000,000

June 15 (Thursday)

Southern Electric Generating Co.______________Bonds
(Bids 11 a.m. EST) $27,000,000

September 28 (Thursday)

Mississippi Power Co. ______________________Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.____________________Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.__________________________Bonds
(Bids to be received) $15,500,000

Georgia Power Co.________________________Preferred
(Bids to be received) $8,000,000

December 7 (Thursday)

Gulf Power Co.______________________________Bonds
(Bids to be received) $5,000,000

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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.

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**—Indefinitely postponed.

★ **Baldwin Enclosures, Inc.**
Dec. 27, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of elevator cabs for apartment houses and office buildings. **Proceeds**—For general corporate purposes. **Office**—59-33 55th St., Maspeth, N. Y. **Underwriter**—Acme Securities Corp., New York, N. Y.

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. (1/23-27)**
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.
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.

● **Berkey Photo Service, Inc. (2/6-10)**
Dec. 28, 1960 filed 360,000 shares of common stock of which 80,000 shares will be offered for the account of company and 280,000 shares for the account of selling stockholders. **Price** — To be supplied by amendment. **Business**—Photo-processing. **Proceeds**—For general corporate purposes. **Office**—77 East 13th Street, New York City. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

● **Boonton Electronics Corp.**
Dec. 23, 1960 filed 60,000 shares of common stock plus attached warrants, to be offered for public sale in units consisting of one common share and one-half of a two-year warrant. One full warrant will be required to purchase one share at $5.50 per share during the first year and $6.50 per share the second year. **Price**—$5.50 per unit. **Business**—The design and manufacture of precision electronic measuring equipment. **Proceeds**—For expansion, advertising and sales promotion and for research and development. **Office**—738 Speedwell Avenue, Morris Plains, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City. **Offering**—Expected in early March.

● **Bowling & Construction Corp. (2/10)**
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. (1/9-13)
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. (1/9-13)
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. (1/16)
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.

● **Brooks (James) & Co., Inc. (1/6)**
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. (1/9)**
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.

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 Capital Corp.
Dec. 19, 1960 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A closed-end, non-diversified management investment company licensed under the Small Business Investment Act. **Proceeds**—For general business purposes. **Office**—728 West Roosevelt Road, Chicago. **Underwriters**—Blunt Ellis & Simmons, Chicago, Hornblower & Weeks, New York City and Cruttenden, Podesta & Co., Chicago (managing). **Offering**—Expected in late January.

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.

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.

★ **Canterbury Fund, Inc.**
Dec. 29, 1960 filed 150,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The fund has been organized to serve principally investment clients of Fiduciary Counsel, Inc., and its subsidiary, The Estate Planning Corp. **Proceeds**—For investment. **Office**—55 Green Village Rd., Madison, N. J. **Underwriter**—Estate Planning Corp.

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.

Circle Controls Corp.
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y. **Offering**—Expected in late January.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

★ **Citizens Acceptance Corp.**
Dec. 29, 1960 filed $500,000 principal amount of series G 6% five year subordinated debentures. **Price**—At 100% of principal or in exchange for outstanding debentures. **Business**—General finance company. **Proceeds**—To increase working capital and to retire outstanding debentures as they mature. **Office**—Georgetown, Del. **Underwriter**—None.

Citizens & Southern Capital Corp.
Dec. 21, 1960, filed 300,000 shares of common stock. **Price**—$5.50 per share. **Business**—A small business investment company and a subsidiary of Citizens & Southern National Bank of Atlanta. **Proceeds**—For investment. **Office**—Marietta and Broad Streets, Atlanta, Ga. **Underwriters**—The Johnson, Lane, Space Corp., Savannah; Courts & Co. and Robinson-Humphrey Co. Inc., Atlanta (managing). **Offering**—Expected in early February.

Click Chemical Corp. (1/6)
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. (1/16-20)**
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.

• **Colorite Plasics, Inc. (2/13)**
Dec. 22, 1960 filed $900,000 principal amount of first mortgage bonds, 6½% series, due 1976 (with detachable common stock purchase warrants) and 100,000 shares of common stock. **Price**—For the bonds: 100% of face amount plus accrued interest. For the stock: To be supplied by amendment. **Business**—The manufacture of plastic garden hose, tubes, rods, strips, gaskets, and related items. **Proceeds**—To purchase land, buildings and equipment and for working capital. **Office**—50 California Ave., Paterson, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Colwell & Co. (1/16-20)
Nov. 18, 1960 filed $1,000,000 of 6½% subordinated sinking fund debentures, due 1976, each $1,000 debenture to have an attached warrant for the purchase of 50 shares of common stock. Also filed were 60,000 shares of common stock, of which 50,000 shares are to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Business**—Originating and servicing loans secured by mortgages on real property. **Proceeds**—For working capital. **Office**—5856 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—Mitchum, Jones & Templeton, Los Angeles, Calif. and J. A. Hogle & Co., Salt Lake City, Utah.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds**—To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commonwealth International & General Fund, Inc.
Dec. 19, 1960, filed 400,000 shares of common capital stock. **Price**—$12.50 per share. **Business**—A diversified, open-end, managed investment company. **Proceeds**—For investment. **Office**—615 Russ Bldg., San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco (dealer-manager).

Compression Industries Corp.
Dec. 19, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—Construction of swimming pools. **Proceeds**—For general corporate purposes. **Office**—313 W. Jericho Turnpike, Huntington, N. Y. **Underwriter**—I. R. E. Investors Corp., 3000 Hempstead Turnpike, Levittown, N. Y.

Consolidated Airborne Systems, Inc. (2/15)
Dec. 15, 1960 filed 180,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The design, development and production of proprietary devices in the field of electronic and cryogenic ground support equipment and airborne instrumentation for the military and commercial aircraft industry. **Proceeds**—For debt reduction, research, development and expansion of manufacturing facilities and for working capital. **Office**—900 Third Ave., New Hyde Park, N. Y. **Underwriter**—S. D. Fuller & Co., New York City (managing).

• **Consolidated Circuit Corp. (1/16-20)**
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.

• **Coral Aggregates Corp. (1/16-20)**
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. (1/11)**
Dec. 22, 1960 filed 108,000 shares of common stock (par 50 cents), and five-year warrants for the purchase of an additional 108,000 shares of common stock to be offered in units, each unit to consist of one share and a warrant for the purchase of one share. **Price**—$3.125 per unit. **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., and Globus, Inc., both of New York City.

• **Cowles Chemical Co. (1/16-20)**
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).

• **Crumpton Builders, Inc. (1/16)**
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.

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.

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.

Digitronics Corp.
Dec. 27, 1960 filed 50,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—Makes digital computers. **Proceeds**—To retire short-term loans and for working capital. **Office**—Albertson, L. I., N. Y. **Underwriter**—Granbery, Marache & Co., New York (managing).

Dixie Natural Gas Corp. (1/16)
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds**—For general business purposes. **Office**—115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

Diketan Laboratories, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory, purchase new equipment, for research and new product development and working capital. **Office**—9201 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif. **Offering**—Indefinitely postponed.

Dodge Wire Corp. (3/1)
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.**
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. **Offering**—Imminent.

★ **Dolomite Glass Fibres, Inc.**
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter**—None.

• **Drexel Equity Fund, Inc. (1/9)**
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.

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).

Edlund Engineered Products, Inc. (1/9)
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.

• **Edwards Industries, Inc. (1/16-20)**
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).

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.

• **Electro-Tech Instruments, Inc.**
Nov. 29, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For inventory, advertising and working capital. **Office**—5 N. Mason St., Portland, Oreg. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y. **Offering**—Expected in late January to early February.

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).

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Elion Instruments, Inc. (2/1)
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.

● Emerson Electric Manufacturing Co. (1/16-20)
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.

★ Filmohm Corp.
Dec. 27, 1960 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of thin film electronic components. **Proceeds**—For general corporate purposes. **Office**—48 W. 25th St., New York, N. Y. **Underwriter**—Kidder, Peabody & Co., New York, N. Y.

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 Guaranty Title & Trust Co.
Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). **Price**—$3.60 per share. **Proceeds** — To pay a second mortgage instalment, for advertising, and for working capital. **Office**—1090 N. E. 79th St., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

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. (1/9-13)
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.

● General Bowling Corp.
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. **Offering**—Indefinitely postponed.

General Development Investment Plans, Inc.
Oct. 6, 1960 filed 1,285 of Investment Plans. **Price**—To be offered for public sale with sales commissions ranging from 8% to 10%, depending upon the type of mortgage financing involved. **Proceeds**—For investment in Port St. Lucie Country Club homes, on the east coast of Florida. **Business**—The company is a wholly-owned subsidiary of General Development Corp., whose principal business is the development of large tracts of land into planned communities. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—None.

● General Foam Corp.
Dec. 16, 1960, filed $550,000 of 6% convertible subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The manufacture and distribution of urethane foam and foam rubber products. **Proceeds**—For new equipment and working capital. **Office**—640 West 134th St., New York City. **Underwriter**—Brand, Grumet & Seigel, Inc., New York City (managing). **Offering**—Expected in late January to early February.

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. (1/16-20)
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.

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. (1/23-27)
Dec. 16, 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. **Underwriters**—Dean Samitas & Co., Inc., 111 Broadway, New York City and Valley Forge Securities Co., Inc., Philadelphia, Pa. (jointly).

Grayway Precision, Inc. (2/7)
Dec. 23, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of precision instruments. **Proceeds**—For general corporate purposes. **Office**—121 Centre Avenue, Secaucus, N. J. **Underwriters**—Harrison & Co., Philadelphia, Pa. and Marron, Sloss & Co., Inc., New York, N. Y.

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.

Greenfield Real Estate Investment Trust
Dec. 21, 1960, filed 500,000 shares of beneficial interest. **Price**—To be supplied by amendment. **Business** — The company was organized on Dec. 20, 1960 to provide investors with an interest in diversified income-producing properties consisting principally of real estate interests. **Proceeds**—For investment. **Office** — Bankers Securities Bldg., Philadelphia, Pa. **Underwriter** — Drexel & Co., Philadelphia (managing). **Offering**—Expected in early February.

● Guild Musical Instrument Corp. (1/30-2/3)
Oct. 25, 1960 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

Gulf Guaranty Land & Title Co.
Nov. 29, 1960 filed $750,000 of 7% convertible subordinated debentures, due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of $100 of debentures and 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.; Carl M. Loeb, Rhoades & Co.; Bache & Co., and Ladenburg, Thalmann & Co. (jointly); First Boston Corp. **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. (1/10)
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).

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. **Offering**—Expected in early February.

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.

Ilikon Corp.
Dec. 23, 1960, filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The company was formed in June 1960, to undertake research and development in the field of "materials engineering and science." **Proceeds**—To carry on work on projects now in the laboratory stage and for general corporate purposes. **Office**—Natick, Mass. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Expected in early February.

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).

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. (1/30)
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.**
Sept. 30, 1960 (letter of notification) 99,333 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. **Offering**—Imminent.

Invesco Collateral Corp. (2/15)
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 $5,000 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.

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 Street, New York City. **Offering**—Expected in late January to early February. **Note**—The name has been changed to Atlantic Fund for Investment in U. S. Government Securities, Inc.

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.

J-F Machine, Diesel & Electronics, Inc. (1/27)
Dec. 9, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For reducing present obligations and working capital. **Address**—Route 23, King of Prussia, Pa. **Underwriter**—Vestal Securities Corp., New York, N. Y.

Jonker Business Machines, Inc.
Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter** — Hodgdon & Co., Inc., Washington, D. C. **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 the purchase and installation of machinery and molds and for working capital. **Office** 346 Carroll Street, Brooklyn, N. Y. **Underwriter**—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 late January to early February.

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. **Offering**—Expected in early February.

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. **Information Meeting** — Jan. 16 at 11 a.m. (EST) Room 240, 2 Rector St., New York City.

● **Kleer-Vu Industries, Inc. (1/23-27)**
Dec. 21, 1960, filed 115,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company, formerly American Kleer-Vu Plastics, Inc., is engaged primarily in the business of manufacturing acetate and polyester transparent accessories and related items. **Proceeds**—To retire a loan, purchase additional equipment, enlarge plant facilities, hire more staff engineers, and provide additional working capital. **Office**—76 Madison Ave., New York City. **Underwriters**—Paul Eisenberg Co., and Godfrey, Hamilton, Magnus & Co., Inc., both of New York City (managing).

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

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. (1/12)
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.

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 Communications 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. (1/6)**
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). **Information Meeting**—Scheduled for Jan. 4, at 11 a.m. at the office of First Boston Corp., 15 Broad Street, 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.

★ **Management Assistance Inc.**
Dec. 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Consulting services and installation of business machines. **Proceeds** — For general corporate purposes. **Office**—40 Exchange Place, New York 5, N. Y. **Underwriter**—Federman, Stonehill & Co., New York, N. Y.

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.

Marmac Industries, Inc.
Dec. 22, 1960, filed 108,000 shares of common stock. **Price**—$4.50 per share. **Business**—The manufacture and sale of wood cabinets. **Proceeds**—For general business purposes. **Office**—Wenonah, N. J. **Underwriter**—Metropolitan Securities, Inc., Philadelphia (managing). **Offering**—Expected in early February.

★ **Maryland Cup Corp. (2/14)**
Dec. 29, 1960 filed 235,100 shares of common stock (par $1) of which 21,000 will be offered for the account of company and $214,000 for the account of selling stockholders. **Price** — To be supplied by amendment. **Business** — The company produces paper cups, straws, book matches, ice cream cones and plastic containers. **Proceeds**—The company will apply its funds toward the cost of additional equipment for its Plastics Division in the Boston area. **Office** — Baltimore, Md. **Underwriter**—Lehman Brothers, New York City (managing).

Mensh Investment & Development Associates, Inc.
Nov. 17, 1960, filed (1) $1,100,250 of 8% convertible subordinated debentures, due Sept. 1, 1970, and 36,675 shares of capital stock (par $1) to be offered in units of $750 of debentures and 25 shares of stock; (2) $969,000 of debentures and 32,300 shares of stock to be offered for subscription by stockholders and (3) approximately $142,860 of debentures and not to exceed 5,000 shares of stock to be offered in exchange for the 6% debentures, due March, 1961, of its subsidiary, Mentos Investments, Inc. **Price**—(1) $1,100 per unit; (2) 100% per debenture and $10 per share of stock. **Business** — The principal assets of the company are an office building at 1910 K St., N. W., Washington, D. C. **Proceeds**—To retire certain obligations; make improvements on property; retire debentures due 1961, and to construct or acquire income producing properties. **Office**—1625 Eye St., Washington, D. C. **Underwriter**—None.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds** — For working capital. **Office** — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C.

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 Capital Corp. (2/1)
Dec. 16, 1960 filed 1,300,000 shares of common stock (par $1). **Price**—$12.50 per share. **Business**—The corporation was organized in August 1960 by Marine Midland Corp., a bank holding company, as a small business investment company. **Proceeds** — To provide management services and investment capital to small business concerns. **Office**—241 Main St., Buffalo, N. Y. **Underwriters**—Eastman Dillon, Union Securities & Co., and Granbery, Marache & Co., both of New York City (managing).

● **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

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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 late January to early February.

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.

● **Milo Electronics Corp.**
Dec. 27, 1960 filed 150,000 shares of common stock. **Price** —$5 per share. **Business**—The company is a wholesaler and distributor of electronic equipment. **Proceeds**—For debt reduction, inventory and general corporate purposes. **Office**—530 Canal Street, New York City. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

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**—Expected in January.

● **Mohawk Insurance Co. (1/9)**
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Monarch Electronics International, Inc.
Oct. 31, 1960 filed 200,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif. **Offering**—Expected in mid-January.

● **Montgomery Ward Credit Corp. (1/11)**
Dec. 21, 1960, filed $25,000,000 of debentures due Feb. 1, 1981 and $25,000,000 of subordinated debentures due Feb. 1, 1981. **Price**—To be supplied by amendment. **Business**—Finances deferred payment accounts of Montgomery Ward & Co., parent company. **Proceeds**—To be added to general funds. **Office**—619 West Chicago Ave., Chicago 7, Ill. **Underwriter**—Lehman Brothers, New York (managing).

Mortgage Guaranty Insurance Corp. (1/16-20)
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.

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 January.

● **National Equipment Rental, Ltd. (1/25)**
Dec. 20, 1960 filed 136,000 shares of common stock to be offered for subscription by common stockholders. **Price** —To be supplied by amendment. **Business**—The rental or leasing of equipment to business organizations, including production, processing, and packaging machinery. **Office**—1 Plainfield Ave., Elmont, N. Y. **Underwriter** —Burnham & Co., New York (managing).

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 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.

★ **Northfield Precision Instrument Corp.**
Dec. 27, 1960 (letter of notification) 24,428 shares of common stock (par 10 cents). **Price**—At-the-market (not more than $2 per share). **Business** — Manufacturers of precision instruments in electronic, aircraft and missile industries. **Proceeds** — To go to underwriter. **Office**—4400 Austin Blvd., Island Park, L. I., N. Y. **Underwriter** —Robert Edelstein Co., Inc., New York, N. Y.

Otter Tail Power Co. (1/24)
Dec. 15, 1960, filed $7,000,000 of first mortgage bonds, series of 1991. **Proceeds** — For repayment of short-term bank loans and for construction. **Office**—215 South Cascade St., Fergus Falls, Minn. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; Glore, Forgan & Co.; White, Weld & Co. **Bids**—To be received on Jan. 24 at 11 a.m.

P. & C. Food Markets, Inc.
Dec. 23, 1960 filed 40,000 shares of common stock of which 32,000 will be offered for sale to public and 8,000 to employees. **Price**—$12.50 per share (to public). **Business**—The operation of a chain of 46 retail self-service food and grocery supermarkets in central New York State. **Proceeds**—For inventories for five new stores and for general corporate purposes. **Office** — Geddes, New York. **Underwriter**—First Albany Corp., Albany, New York (managing).

Pacific Gas Transmission Co. (1/11)
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**—245 Market St., San Francisco, Calif. **Underwriter**—None.

● **Palm Developers Limited**
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville. Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City. **Offering**—Expected in early February.

● **Palomar Mortgage Co. (1/23-27)**
Dec. 15, 1960 filed $1,100,000 of subordinated convertible debentures, due 1975. **Price** — At 100% of principal amount. **Business**—The obtaining, arranging and servicing of real estate loans. **Office**—5th & University Aves., San Diego, Calif. **Proceeds** — To retire bank loans and for working capital. **Underwriter** — J. A. Hogle & Co., Salt Lake City (managing).

Pantex Manufacturing Corp.
Dec. 27, 1960 filed 513,299 shares of capital stock, of which 307,222 shares are to be offered for the account of the issuing company and 206,077 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The stock being offered for the company is a rights offering; one new share will be offered for each three capital shares held. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of 200,000 shares of Tel-A-Sign, Inc. for $450,000, said shares to be distributed as a dividend to shareholders, with the balance for general corporate purposes, including working capital. **Office**—Central Falls, R. I. **Underwriter**—None.

Patrician Paper Co., Inc.
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. **Offering**—Indefinite.

★ **Pearce-Simpson, Inc.**
Dec. 30, 1960 filed $1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business** —The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

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. (1/18)**
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 late 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.

★ **Photo Service, Inc.**
Dec. 30, 1960 filed 162,000 shares of common stock of which 125,000 shares will be offered for public sale by the company and the remaining 37,500, being outstanding, by the selling stockholder. **Price**—To be supplied by amendment. **Proceeds**—For construction and new equipment, repayment of debt, purchase of stock or assets of other firms in the photo-finishing business and for general corporate purposes. **Office**—Des Plaines, Ill. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. (managing).

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**—M. R. Zeller Co., New York City. **Offering**—Sometime in January.

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. (1/16-20)**
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.

★ **Polychrome Corp.**
Dec. 29, 1960 filed 125,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The design and manufacture of offset printing supplies and mimeograph stencils. **Proceeds** — For new facilities and new products and for working capital. **Office**—2 Ashburton Ave., Yonkers, N. Y. **Underwriter**—Westheimer & Co., Cincinnati (managing). **Offering**—Expected in March.

● **Polysonics, Inc. (1/9-13)**
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.

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. (1/16-20)**
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.

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.

● **Ra'ac Self-Service, Inc. (1/23-27)**
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.

★ **Ram Electronics, Inc.**
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter** — Plymouth Securities Corp., New York, N. Y.

Real Estate Market Place, Inc.
Dec. 20, 1960, filed 50,000 shares of class A common stock, of which 12,903 shares will be exchanged for real property and the balance of 37,097 shares sold publicly, together with 50 shares of class B common stock. **Price**—$100 per share for each class. **Proceeds**—To pay costs and expenses incidental to the company's organization and operation. **Office**—1422 Sixth Ave., San Diego, Calif. **Underwriter**—None.

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.

Realty Collateral Corp.
Dec. 12, 1960 filed $20,000,000 of collateral trust notes, series A, due 1981. **Price**—To be supplied by amendment. **Business** — The company was organized in September, 1960 to invest in real property mortgages insured under Title II of the National Housing Act. **Proceeds**—For general business purposes. **Office**—444 Madison Ave., New York, N. Y. **Underwriter**—None.

● **Reeves Soundcraft Corp. (1/16)**
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).

● **Reser's Fine Foods, Inc. (1/16-20)**
Nov. 29, 1960 (letter of notification) 120,000 shares of common stock (par 33⅓c). **Price**—$2.25 per share. **Proceeds**—To purchase food processing equipment, expansion of market and for working capital. **Office** — Reser Bldg., Cornelius, Oreg. **Underwriter**—William David & Motti, Inc., New York City.

● **Resisto Chemical, Inc. (1/9-13)**
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. (1/9)
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).

● **Reynolds & Reynolds Co. (1/9-13)**
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. **Note**—The statement was withdrawn on Dec. 28.

★ **Rixon Electronics, Inc.**
Dec. 30, 1960 filed 115,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is a custom electronics engineering and development concern engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentations, data processing and other electronic systems. **Proceeds**—To repay indebtedness and for working capital. **Office** — 2414 Reedie Drive, Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

★ **Roblin-Seaway Industries, Inc.**
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and non-ferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing). **Offering**—Expected in late Febuary or early March.

★ **Roulette Records, Inc.**
Aug. 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The manufacture and distribution of long-playing records. **Proceeds**—For debt retirement and general corporate purposes. **Office** — 1631 Broadway, New York City. **Underwriter**—A. T. Brod & Co., New York, N. Y.

(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). **Offering**—Expected in January.

School Pictures, Inc. (1/11)
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.**
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. **Proceeds**—For general business purposes and the making of payments to Columbia Pictures as required under the operating agreement. **Office**—711 Fifth Avenue, New York, N. Y. **Underwriting**—Hemphill, Noyes & Co., and Hallgarten & Co., both of New York City. **Offering**—Expected in late January.

● **Scrivner-Stevens Co. (1/16-20)**
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. **Business**—A wholesaler and distributor of food and allied products. **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**—122 East Washington St., Oklahoma City, Okla. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

★ **Security Title & Guaranty Co.**
Dec. 28, 1960 (letter of notification) 25,000 shares of common stock (par $5). **Price**—$5.50 per share. **Business**—Examining and insuring titles to real property. **Proceeds**—For general corporate purposes. **Office**—17 East 45th Street, New York, N. Y. **Underwriter**—None.

Seeman Brothers, Inc.
Dec. 21, 1960 filed 98,150 shares of 5% cumulative convertible preferred stock (par $20) and a like amount of underlying common shares. **Price**—To be supplied by amendment. **Business** — The wholesale distribution of grocery products and the processing and sale of frozen fruits, vegetables and prepared foods. **Office**—40 West 225th St., New York, N. Y. **Underwriters** — Gregory & Sons, New York City and Straus, Blosser & McDowell, Chicago (managing). **Offering**—Expected in early February.

Shareholder Properties, Inc.
Dec. 2, 1960 (letter of notification) 40,000 shares of class A common stock (par $1). **Price**—$7.50 per share. **Proceeds**—For working capital. **Office**—2540 Huntington Dr., San Marino, Calif. **Underwriter** — Blalack & Co., San Marino, Calif.

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**—Indefinite.

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. (1/30-2/3)
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).

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**—Expected sometime in January.

● **Solite Products Corp. (2/6-10)**
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.

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

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Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

● Speedee Mart, Inc. (1/23-27)
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.

Stancil-Hoffman Corp.
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. **Offering**—Expected in mid-January.

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 35,000 units consisting of six common shares, a $10 debenture, and two warrants. **Price** — $17.50 per unit. **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. **Underwriter** — F. R. Burns & Co., Oklahoma City, Okla.

● Steel Crest Homes, Inc. (1/30-2/3)
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.

★ Storer Broadcasting Co.
Dec. 30, 1960 filed 263,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company owns and operates five television broadcasting stations, seven radio stations, six F.M. radio broadcasting stations and a daily newspaper. The company, through a subsidiary also owns a majority of the voting stock in The Standard Tube Co., Detroit, Mich, manufacturer of steel tubing and other tubular products. **Proceeds**—To the selling stockholders. **Underwriter**—Reynolds & Co., Inc., New York City (managing). **Offering**—Expected in early February.

● Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—To be supplied by amendment. **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. **Offering**—Expected in late January.

★ Syntex Corp.
Jan. 3, 1961, registered 7,389 shares of $100 par preferred stock and 98,890 shares of common stock of which latter 73,890 are reserved for issuance upon conversion of preferred stock. According to the prospectus nine holders of 3,584 preferred shares will convert same into 35,480 common shares and offer the latter for public sale. An additional 25,000 common shares are to be sold by the Value Line Fund Inc. and two affiliated companies who will retain 6,500 common shares. This accounts for all of the 60,840 common shares to be offered for public sale, the offering to be made from time to time on the American Stock Exchange at prices prevailing at the time of the sale less brokerage commission. **Address**—Republic of Panama. **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.
Sept. 6, 1960 (letter of notification) 99,833 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.

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.

Tele-Graphic Electronics Corp.
Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Patent holding and development of its patent structure and preparation to develop for manufacture its patentable products. **Proceeds**—For general corporate purposes. **Office** — 514 Hempstead Ave., West Hempstead, N. Y. **Underwriter**—None.

● Telephone & Electronics Corp. (1/16-20)
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, New York.

Telescript C.S.P., Inc.
Dec. 23, 1960 (letter of notification) 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 St., New York City. **Underwriter** — Robert A. Martin Associates, Inc., 680 Fifth Avenue, New York City.

● Texas Eastern Transmission Corp. (1/18)
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).

★ Texas Gas Transmission Corp. (2/8)
Dec. 30, 1960 filed 300,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Business**—The operation of an interstate pipeline system in Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Illinois, Indiana and Ohio. **Proceeds**—To be applied toward 1961 expansion program estimated to cost $27,000,000. **Office**—416 West Third St., Owensboro, Ky. **Underwriter**—Dillon, Read & Co., Inc., New York City (managing).

● Texas Power & Light Co. (1/24)
Dec. 15, 1960 filed $12,000,000 of first mortgage bonds, series due 1991. **Proceeds**—For construction and the repayment of $4,500,000 of short-term loans from Texas Utilities Co., the parent company. **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., in room 240, 2 Rector Street, New York City.

● 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. **Note**—The statement was withdrawn on Dec. 29.

Thermo-Dynamics, Inc.
Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the issuing company are new and 30,089 shares, representing outstanding stock, are to be offered by two officers of the company. **Price**—$3.50 per share. **Business**—Formerly known as Agricultural Equipment Corp., this company distributes German made Stihl chain saws and Stihl "Go-Kart" gasoline engines; U. S. made tractor attachments and power saws; makes cryogenic gas reclamation and transferral systems, L-P gas thermo-shock weed control devices, portable furnaces, etc. **Proceeds**—For the repayment of debts, for expansion and for working capital. **Office**—1366 W. Oxford Avenue, Englewood, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

Thursby (Reed A.) & Co.
Dec. 19, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For building sites, installation and for working capital. **Office**—4030 Overlook Road, N. E., St. Petersburg, Fla. **Underwriter**—Dunne & Co. and R. James Foster & Co., Inc., New York, N. Y.

★ Time Finance Corp.
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price**—At 100% of principal amount, on a best efforts basis through a group of underwriters headed by Whitney & Co., who will receive a 12% selling commission. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. **Proceeds**—$96,560 to increase volume of accounts receivable financing; $24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Washington, D. C. (managing).

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 mid-January.

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 above-mentioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

● Town Photolab, Inc. (1/16-20)
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.

Trans-Air System, Inc. (1/16)
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.

● Underwater Storage, Inc. (1/23-27)
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.

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. (1/10)
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 Boatbuilders, Inc. (3/1-8)
Jan. 3, 1961, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Makes and sells fiberglas boats. **Proceeds**—To be added to working capital. **Office**—9th and Harris, Bellingham, Wash. **Underwriters**—Birr & Co., Inc., San Francisco and Marron, Sloss & Co., Inc., New York City.

● United Financial Corp. of California (1/23-27)
Dec. 14, 1960 filed 600,000 shares of common stock, of which 50,000 shares will be offered by the company, and 550,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes and to the selling stockholders. **Business**—Holding company for two savings and loan associations. Also operate an insurance agency for fire, casualty, and other related real estate coverage. **Office**—439 South La Brea Ave., Inglewood, Calif. **Underwriter** — Lehman Brothers, New York (managing).

● 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 late January to early February.

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). **Offering**—Expected in January.

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.

● Vacuum-Electronics Corp.
Dec. 16, 1960, filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The design, production and sale of high vacuum systems and related leak detector systems. **Proceeds**—To

retire outstanding loans and for working capital. **Office**—Plainview, L. I., N. Y. **Underwriter**—Lehman Brothers, New York (managing). **Offering**—Expected in late January.

● **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**—Indefinitely postponed.

● **Varifab, Inc. (1/9-13)**
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.
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. **Offering**—Imminent.

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. (1/9-13)**
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.

★ **Whippany Paper Board Co., Inc.**
Dec. 28, 1960 filed 250,000 shares of common stock (par 10c). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of container liner board, corrugated board, chip board and box board. **Proceeds**—For plant conversion and working capital. **Office**—10 North Jefferson Road, Whippany, N. J. **Underwriter**—Val Alstyne, Noel & Co., New York City (managing). **Offering**—Expected in early February.

● **Willer Color Television System, Inc. (1/27)**
Jan. 29, 1960 (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.

★ **Wilson (Lee) Engineering Co., Inc.**
Dec. 30, 1960 filed 67,500 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company produces equipment for treating flat rolled steel and wire in a variety of ways, including chemical change through gas, alloying and physical change through thermal treating. **Proceeds**—For the selling stockholder. **Underwriter**—Prescott, Shepard & Co., Inc., Cleveland.

Wings & Wheels Express, Inc.
Dec. 9, 1960 filed 85,000 shares of common stock. **Price**—$3 per share. **Business**—Engaged in freight forwarding by air and terminal handling service at Chicago. **Proceeds**—For expansion, working capital, the financing of accounts receivable, and general corporate purposes. **Office**—Astoria Blvd., and 110th St., Flushing, L. I., N. Y. **Underwriters**—Globus, Inc. and Ross, Lyon & Co., Inc., both of New York City.

Wollard Aircraft Service Equipment, Inc.
Dec. 14, 1960 filed 135,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of equipment used to service commercial and military aircraft. **Proceeds**—For a new plant and equipment, for moving expenses and the balance for working capital. **Office**—2963 N. W. 79th St., Miami, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering**—Expected in mid-March.

★ **Wometco Enterprises, Inc. (3/1-8)**
Dec. 30, 1960 filed 100,000 shares of stock, consisting of 18,591 outstanding shares of class A common stock; 19,155 outstanding shares each of class B, series B, C and D common; and 23,944 outstanding shares of class B, series E common. **Proceeds** — For the selling stockholders. **Business**—Owns and operates television station WTVJ, Miami, Fla. and station WLOS-TV with its affiliates WLOS-AM and FM, Asheville, N. C. The company also owns and operates television station WFGA, Jacksonville, Fla., and it recently signed a contract for the acquisition of station KVOS-TV, Bellingham, Wash. It also operates a chain of 23 motion picture theatres, sells soft drinks and related items, owns a franchise to bottle and sell Pepsi-Cola in the Bahamas and holds a 91% interest in the Seaquarium at Miami, Fla. **Office**—306 North Miami Avenue, Miami, Fla. **Underwriters** — Lee Higginson Corp., New York and A. C. Allyn & Co., Inc., Chicago.

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 early January. **Price**—$3 per share. **Business**—Manufacturer of furniture. **Proceeds**—For equipment and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—Allen, McFarland & Co., Washington, D. C.

★ **Alabama Power Co. (3/23)**
Jan. 3, 1961 it was reported that this subsidiary of the Southern Co., plans to sell $13,000,000 of 30-year first mortgage bonds and $8,000,000 of preferred stock (par $100). **Proceeds**—For expansion. **Office**—600 North 18th St., Birmingham 2, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders on bonds included Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Registration**—Expected about Feb. 13. **Bids**—Expected at 11 a.m. (EST)

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.

★ **American Machine & Foundry Co.**
Jan. 3, 1961 the company announced that it plans to offer holders of the outstanding common about $40,000,000 of convertible subordinated debentures. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term loans and furnish additional working capital for domestic and foreign expansion. **Office**—261 Madison Avenue, New York 16, N. Y. **Underwriter** — Eastman Dillon, Union Securities Co., New York City (managing).

★ **American Playlands Corp.**
Dec. 21, 1960 it was reported that this company plans to refile in February a registration statement covering 300,000 shares of common stock. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office** — 55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis & Co., Inc., New York City.

American Telephone & Telegraph Co. (2/23)
Dec. 21, 1960, the company announced that it plans an offering of additional shares to its stockholders on the basis of one new share for each 20 shares held of record Feb. 23. **Price**—To be somewhat below the market price of the outstanding stock at the time of offering. **Proceeds**—For expansion. **Office**—195 Broadway, New York 7, N. Y. **Underwriter**—None.

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 "Sky-jector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York City. **Registration**—Imminent. **Offering**—Expected in January.

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. **Registration**—Expected in early January.

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.

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 Electric Power Co.
Dec. 20, 1960, it was reported that this company plans to offer $8,000,000 of bonds in the first quarter of 1961. **Proceeds**—For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Previous bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

● **California Oregon Power Co.**
Oct. 18, 1960 it was reported that the company expects to come to market in October 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.

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● 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.

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.

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 which 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 at 11:30 a.m. EST. **Information Meeting**—Scheduled for Feb. 2 at 10:30 a.m. EST at Bankers Club, 120 Broadway, New York City.

★ Continental Bank of Cleveland
Jan. 4, 1961 it was reported that this bank plans to offer stockholders right to subscribe to 16,000 common shares (par $10), subject to approval of stockholders at annual meeting on Jan. 10. **Proceeds**—To increase capital. **Office**—2029 E. 14th St., Cleveland 15, Ohio. **Underwriters**—Joseph Mellen, Miller and Ball, Burge & Kraus, Cleveland (managing).

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.

● Delaware Power & Light Co.
Dec. 23, 1960, Frank P. Hyer, Chairman, stated that this company may issue additional common stock in the summer of 1961. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares. The last offering of common to stockholders in June 1956 consisted of 232,520 shares offered at $35 a share to holders of record June 6 on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market St., Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable Bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

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.
Dec. 27, 1960, this company reported that a full filing of 150,000 shares of common stock (par 10 cents) will be made. **Price**—$2 per share. **Business**—Makes magnetic brakes and clutches. **Proceeds** — For additional working capital; for research and development of new products and for the retirement of debts. **Office**—59 New York Avenue, Westbury, N. Y. **Underwriter**—T. W. Lewis & Co., Inc., 61 Broadway, New York City. **Registration**—Expected in mid-January.

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 January.

★ First National Bank of Atlanta
Jan. 4, 1961 it was reported that stockholders have approved payment of a 10% stock dividend and sale of 150,000 additional common shares (par $10) to stockholders at $35 per share on the basis of three shares for each 20 shares held of record Dec. 30, with rights to expire Jan. 20, 1961. **Proceeds**—To increase capital. **Office** — Atlanta, Ga. **Underwriters** — Courts & Co., and Robinson - Humphrey Co., Atlanta, Ga., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

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 open-end 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. **Office**—577 East 156th Street, 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. **Registration**—Expected in late February or early March.

★ Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, $8,000,000 of new preferred and $6,000,000 of common stock. The common would be sold to the company's parent in two instalments: $4,500,000 in February and the remaining $1,500,000 in June. **Proceeds** — For construction, plant modernization, or refunding of outstanding debt. **Office** — Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp.

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. **Registration**—Expected in late January.

★ Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

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. **Registration**—Expected in late January.

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.

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).

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.

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.

Macrose Lumber & Trim Co., Inc.
Dec. 20, 1960, it was reported that this company plans a public offering of about 500,000 common shares (par $1) in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Ave., Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City N. Y.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio

● Michigan Consolidated Gas Co.
Sept. 9, 1960, the SEC authorized this subsidiary of American Natural Gas Co., to issue up to $18,000,000 short-term notes due Aug. 31, 1961. The notes will be refunded with permanent financing. The last sale of bonds in June 1957 comprised $30,000,000 of first mortgage bonds, eight series, due 1982. **Proceeds**—Of note issue will be used for construction. Proceeds from expected bond issue will be used to repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable Bidders: White, Weld & Co.; Lehman Brothers; and Halsey, Stuart & Co. Inc.

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.

★ Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly).

● 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 at 1 p.m. EST.

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. On Dec. 13, stockholders voted to increase 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.

★ Monticello Lumber & Mfg. Co.
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing later this month covering 75,000 shares of common stock. **Price** — $4 per share. **Proceeds** — For equipment, plan expansion and working capital. **Office** — Monticello, N. Y. **Underwriter** — J. Laurence & Co., Inc., New York City.

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 early Jan. 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).

● Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, 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.)

Pennsylvania Power Co.
Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of $878,000 of first mortgage bonds, 3¼% series, due 1982. **Proceeds**—For sinking fund purposes. **Office** — 19 E. Washington St., New Castle, Pa. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

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 letter of notification is expected comprising this firm's first public offering. **Office**—Paramus, N. J. **Underwriter**—Plymouth Securities Corp., New York City. **Registration**—Expected in early January.

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 California Edison Co.
Jan. 4, 1961 it was reported that this company's 1961 capital budget totals $131,500,000, about half of which will be obtained from available funds and the remaining $65,000,000 raised through the sale of securities. The last sale of bonds, on Jan. 27, 1960 through Blyth & Co., Inc., New York, and associates, consisted of $30,000,000 first and refunding 5% issue, series L, due Feb. 1, 1985. The last sale of stock, on Jan. 20, 1959 through First Boston Corp., New York and associates, consisted of 500,000 shares of common (par $25). **Proceeds**—For expansion. **Office**—601 West Fifth St., Los Angeles 53, Calif.

★ (The) Southern Co. (2/14)
Jan. 4, 1961 it was reported that this company plans the public sale of about $35,000,000 of common stock. **Proceeds**—For expansion. **Offices**—1330 West Peachtree St., N. W., Atlanta, Ga., and 600 No. 18th St., Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Previous bidders on common stock included Eastman Dillon, Union Securities & Co., Blyth & Co., Inc., and Equitable Securities Corp. (jointly); First Boston Corp., and Lehman Brothers (jointly); Morgan Stanley & Co., Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Registration**—Expected about Jan. 6.

★ Southern Electric Generating Co. (6/15)
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co., both in turn controlled by The Southern Co., plans the public sale of $27,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m.

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 dated Feb. 1, 1961, to mature in 15 equal annual instalments. The certificates represent about 80% of the cost of 12 locomotives and 507 freight cars. **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.

Swift & Co.
Dec. 28, 1960 the company disclosed that it is considering the issuance of up to $35,000,000 of convertible debentures. Stockholders will vote Jan. 26 on increasing the authorized common stock from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds** — For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—The last issue of 4¾% debentures on Oct. 29, 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

★ Traid Corp.
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Tronomatic Corp.
Dec. 20, 1960, it was reported that a letter of notification consisting of 57,000 shares of common stock will be filed for the company. **Price**—$4 per share. **Proceeds**—For new product development and sales promotion. **Business**—The manufacture of plastic forming, molding and fabricating equipment. **Office** — 25 Bruckner Blvd., Bronx, N. Y. **Underwriter** — Plymouth Securities Corp., New York City. **Registration**—Expected in early January.

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.

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● Van Dusen Aircraft Supplies, Inc.
Nov. 1, 1960 it was reported that registration is expected in early January 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. **Registration**—Expected in mid-January.

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 depend upon market conditions. **Office** — Richmond 9, Va. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Expected on or about June 13.

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 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).

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 Power & Light Co.
Dec. 22, 1960, J. D. Howard, Vice-President, stated that this company will give consideration to some sort of stock financing in late 1961 or early 1962. The last sale of common stock was in May 1958 when common stockholders of record May 5 had rights to subscribe to 241,211 common shares at $26.25 a share on the basis of one share for each 12 shares held. The last sale of preferred was also in May 1958 when preferred stockholders had rights to buy 30,000 shares of 4.76% preferred ($100 par) at $100 a share. **Proceeds**—For expansion. **Underwriters** —The previous sale of common and preferred stocks was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

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).

STATE OF TRADE AND INDUSTRY

Continued from page 5

producers, will be substantially better than the first.

Forecasts Lower Capital Spending By Steel Industry

Capital spending by the steel industry is due to slip in 1961, *The Iron Age* says.

A brightening in market prospects could change things in a hurry. The mills have big programs being held up because of the sale slump. They are acutely aware of the need to modernize, the magazine says.

In a special analysis of the industry's capital spending plans, *The Iron Age* cites these four major conclusions:

(1) Capital outlays will drop under what was planned for 1960, probably to about $1 billion.

(2) Spending will aim at quality, uniformity, and efficiency, rather than expansion.

(3) Mills will concentrate on facilities used when operations drop under 70% of capacity.

(4) Increased investment in foreign facilities is likely.

Retracing 1960 spending by the steel industry, the magazine points out that the companies started 1960 with plans to spend $1.6 billion for replacement and modernization. By October, the figure had been shaded to $1 billion.

There are no official tabulations yet for 1961, but a spot check by the magazine of individual mills shows a downward trend. A continued high rate of spending by some individual mills is cited, but the general outlook is for spending slashes.

The Iron Age says the cutbacks are forced by the slide in sales and cash flow. For most of the mills, spending will have to be geared to these factors.

The magazine says cost pressure will probably be the biggest factor in 1961 capital spending. Close behind will be market pressure for better quality and new products.

As an example, it points out that at least seven bright annealing lines will be installed by stainless strip producers in 1961, directly as a result of pressure by the auto industry for bright annealed quality.

The Iron Age says increased foreign investment by American mills seems certain in 1961. The only question is what form this will take. It notes that several specialty steel mills during 1960 announced plans for foreign investment.

New Method of Reporting Steel Industry Production Inaugurated

As previously announced (see page 26 of our issue of Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960 overall productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-1959.

The revised method of reporting presents the following data:

Production for week ending Dec. 31, 1960 was 1,103,000 tons (59.2*).

Production previous week ending Dec. 24, 1960 was 1,325,000 tons (71.1*).

Production (preliminary) for whole year 1960 was 99,260,000 tons (101.9*).

Production for whole year of 1959 was 93,446,132 tons (96.2*).

*Index of production based on average weekly production for 1957-59.

The Institute concludes with Index of Ingot Production by Districts, for week ended Dec. 31, 1960, as follows:

District—	*Index of Ingot Production for Week Ending Dec. 31, 1960
North East Coast	52
Buffalo	54
Pittsburgh	49
Youngstown	38
Cleveland	52
Detroit	68
Chicago	75
Cincinnati	72
St. Louis	57
Southern	65
Western	81
Total Industry	59.2

*Based on average weekly production for 1957-59.

1960 Car Output Was Second Highest Yearly Total Recorded

Auto makers assembled 522,000 cars during December to climax their second-best year in history, *Ward's Automotive Reports* said On Dec. 30.

The statistical service estimated 6,693,800 car assemblies for entire 1960, a robust 19.7% rise over 5,593,707 in 1959 and second only to 7,942,132 in record year 1955.

Sparking the industry's gain was a 38.1% increase by Chrysler Corp., which with 1,019,100-unit car output in its U. S. plants following 737,799 in 1959 posted its best year since 1957.

Ward's said GM Corp. with 3,195,000 assemblies showed a 25.0% increase over 1959. Ford Motor Co. with 1,889,200, climbed 8.2% and American Motors Corp. with 484,700, was up 20.7%.

Studebaker - Packard Corp. slipped to 105,800 from 153,823 last year, or 31.2% down.

Ward's said the year-end production was marked by short holiday work weeks and scheduling adjustments which brought car output in the week ended Dec. 31 down to 87,564 units from 114,941 last week — a 23.8% decline. The same week a year ago netted 112,113 car completions.

This week's assemblies swelled to 2,214,900 the number of '61 models produced thus far. The count included 34.2% compact cars vs. 25.4% at the calendar year closeout last year when 1,533,900 of the then new '60 models were completed.

The reporting service, in estimating December car output at 522,000 units, said 52.7% or 275,000 emanated from GM Corp., 28.1% or 146,700 from Ford Motor Co. and 10.3% or 53,700 from Chrysler Corp.

An additional 7.9% or 41,500 came from American Motors and 1.0% or 5,100 from Studebaker-Packard Corp.

U. S. truck output netted 15,562 units this week vs. 19,553 last week and 17,551 in the same week last year.

Electric Output 2.9% Higher Than in Week Year Ago

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Dec. 31, was estimated at 13,956,000,000 kwh., according to the Edison Electric Institute. Output was 1,158,000,000 kwh. below that of the previous week's total of 15,114,000,000 kwh. but showed a gain of 391,000,000 kwh., or 2.9% above that of the comparable week ending Jan. 2, 1960.

Carloadings Show Slight Decrease From 1959 Week

Loading of revenue freight for the week ended Dec. 24, 1960, totaled 467,973 cars, the Association of American Railroads announced. This was a decrease of 911 cars or two-tenths of 1% below the corresponding week in 1959 and an increase of 35,830 cars or 8.3% above the corresponding week in 1958. The Christmas holiday fell in the 1959 and 1958 weeks, but not in the current week.

Loadings in the week of Dec. 24 were 18,081 cars or 3.7% below the preceding week.

There were 9,558 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Dec. 17, 1960 (which were included in that week's over-all total). This was an increase of 885 cars or 10.2% above the corresponding week of 1959 and 3,641 cars or 61.5% above the 1958 week.

Cumulative piggyback loadings for the first 50 weeks of 1960 totaled 536,523 for an increase of 132,969 cars or 32.9% above the corresponding period of 1959, and 267,453 cars or 99.4% above the corresponding period in 1958. There were 53 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 41 in the corresponding week of 1958.

Lumber Shipments for Week Ended Dec. 24 Declined 0.3% Below Production

Lumber shipments of 441 mills reporting to the National Lumber Trade Barometer were 0.3% below production during the week ended Dec. 24, 1960. In the same week, new orders of these mills were 9.1% below production. Unfilled orders of reporting mills amounted to 25% of gross stocks. For reporting softwoods mills, unfilled orders were equivalent to 13 days' production at the current rate, and gross stocks were equivalent to 13 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 2.7% below production; new orders were 5.1% below production.

Compared with the previous week ended Dec. 17, 1960, production of reporting mills was 6.6% below; shipments were 6.2% below; new orders were 8.9% below. Compared with the corresponding (holiday) week in 1959, production of reporting mills was 1.2% below; shipments were 0.9% below; and new orders were 15.3% below.

Business Failures Up in Christmas Week

Contrary to a usual holiday decline, commercial and industrial failures rose mildly in the week ended Dec. 29 to 276 from 253 in the preceding week, reported Dun & Bradstreet, Inc. Casualties ran considerably higher than in the comparable week a year ago when 226 occurred or in 1958 when there were 169. The toll was almost half again as heavy as the pre-war level of 190 in 1939.

Failures involving liabilities of $5,000 or more turned up to 247 from 223 last week and 200 a year earlier. Meanwhile, small casualties, those under $5,000, dipped to 29 from 30. Forty-two of the failing businesses had losses in excess of $100,000, climbing from 21 in the previous week.

Most of the week's rise was concentrated in retail trade where the toll increased to 130 from 117. Slight upturns lifted construction casualties to 55 from 48, manufacturing to 46 from 45, and commercial service to 21 from 19. In wholesaling, on the other hand, failures held steady at 24. All industry and trade groups suffered heavier mortality than in the similar week a year ago, with the sharpest relative upturn from 1959 in construction.

Six of the nine major geographic regions reported higher tolls during the week. South Atlantic failures climbed to 32 from 16, and steep upturns also occurred in the East and West South Central and Mountain States. Only three regions had fewer casualties: the Middle Atlantic, down to 72 from 76; the Pacific, down to 65 from 87; and New England, off to 10 from 11. More businesses succumbed than a year ago in all regions except the Middle Atlantic States.

Wholesale Food Price Index Slips Fractionally from Prior Week

There was a fractional decline this week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., but it was appreciably higher than a year ago. On Dec. 27 the index slipped to $6.16 from the week earlier $6.17, but it was up 7.3% from the $5.74 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were corn, oats, barley, and lambs. On the down side were flour, hams, butter, cocoa, and eggs.

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

Wholesale Commodity Price Index Up Moderately from Prior Week

Price increases on most grains, butter, hogs, and rubber offset slight declines on flour, steers, and lambs this week helping the general wholesale commodity price level rise moderately in the latest week. On Dec. 27 the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 265.05 (1930-32=100), compared with 263.78 a week earlier, and 275.77 on the corresponding date last year.

There was an appreciable rise in Wheat prices during the week, reflecting increased trading on somewhat lighter supplies. Rye prices edged up fractionally following the movement in wheat, but trading remained close to the prior period.

A marked rise occurred in corn prices from a week earlier, as transactions expanded and supplies were moderately lower. Oats prices remained unchanged from the preceding week and volume was steady. Soybeans prices advanced throughout the week and finished noticeably higher than a week earlier.

Trading in flour was dull during the week with most volume confined to replacement needs and prices finished slightly on the down side; some export sales were made to Norway, the Netherlands, and the Middle East. There was a holiday lull in rice trading, but supplies were limited and an upsurge in volume is expected soon. Increased exports of rice are expected to be transacted in the near future with Pakistan, Indonesia, and Ceylon.

Sugar trading was sluggish this week and prices remained close to the preceding period. Although transactions in coffee dipped at the end of the week, prices finished unchanged from the prior period. Cocoa trading subsided apreciably and prices were down moderately.

A marked rise occurred in hog prices this week as volume picked up and supplies in most markets were down appreciably. In contrast, prices on steers finished somewhat below a week earlier, as volume lagged on lower supplies. There was moderate dip in lamb prices, but buying was close to the prior week.

Prices on the New York Cotton Exchange finished somewhat on the downside this week, reflecting narrow trading. The United States Census Bureau estimated that cotton consumption for November came to 644,000 bales, compared with 667,000 in October and 725,000 in November 1959. Consumption for the first four months of the current season amounted to about 2,797,000 bales, compared with 3,032,000 during the similar period last season.

Christmas Week Retail Trade Sharply Over Year Ago

With an extra selling day this year, over-all retail trade in the Christmas week ended Dec. 28 sharply exceeded that of a year ago helping volume for the complete Christmas selling season come close to that of 1959. In the latest week the best year-to-year gains were posted in apparel, toys, small electric appliances, lamps, gifts, and linens. While over-all volume in furniture and major appliances fell moderately from the similar 1959 week, sales of new passenger cars were up appreciably.

The total dollar volume of retail trade in the week was 11 to 15% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Middle Atlantic +25 to +29; South Atlantic +10 to +14; New England and East North Central +8 to +12; Pacific Coast +7 to +11; Mountain +6 to +10; West North Central +5 to +9; East South Central +3 to +7; West South Central +2 to +6.

Nationwide Department Store Sales Up 30% 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. 24,* 1960, show an increase of 30% above the like period last year. For the week ended Dec. 17 a decrease of 4% was reported. For the four weeks ended Dec. 24 a 4% gain was reported. The Jan. 1 to Dec. 24 period showed a 1% increase.

According to the Federal Reserve System, department store sales in New York City for the week ended Dec. 24 showed a 43% increase above the same period last year. In the preceding week ended Dec. 17 sales decreased 12% from the same week in 1959. For the four weeks ending Dec. 24 a 4% rise was reported below the 1959 period, and from Jan. 1 to Dec. 24 there was a gain of 5% above the level achieved in the 1959 period.

*The large percentage changes shown for this week are due mainly to the difference in timing of Christmas 1959 and 1960. Christmas in 1959 fell on Friday whereas this year it was on Sunday. Therefore, the week ending Dec. 24, 1960 had the advantage since it included six pre-Christmas shopping days, while the 1959 week ending Dec. 26 contained four pre-Christmas shopping days, one holiday and one post-Christmas shopping day.

Reference Directory Has 219,740 Names

Statistics released by H. Harper, District Manager of New York Office of Dun & Bradstreet, Inc., obtained from a count of the Dun & Bradstreet nationally known Reference Book for January, 1961, totaled 219,740 names. The names consist of manufacturers, wholesalers and retailers in the New York Trading Area.

The top five are New York City-Bronx, Brooklyn, Essex, Queens and Nassau counties. In recent years, the trend of the growing suburbs has continued. Such "suburban" counties as Nassau, Suffolk, Westchester, have shown strong growth in the past decade.

The Reference Book lists only manufacturers, wholesalers and retailers. It does not include some of the service and professional businesses such as beauty and barber shops and stock and real estate brokers. Thus, the figures for the businesses in the New York Trading Area would actually be higher than the figure quoted above.

On the National Scale, New York State continues with a comfortable lead over the other 49 states in the number of businesses operating. In fact, during 1960, New York State was one of the few to show a gain in new businesses formed as compared to the previous year. Only three of the larger states reflected an increase in new businesses formed, when comparing 1960 with 1959. Ohio, Michigan and New York, were the only three among the top ten to show progress in this category.

To Be Kahn & Peck, Cohn

On Jan. 1 Maurice J. Cohn and Sydney H. Meller were admitted to partnership in Kahn & Peck and the firm name will be changed to Kahn & Peck, Cohn & Co. The firm, which is a member of the American Stock Exchange, is located at 25 Broad Street, New York City. On Dec. 31, Mario V. Gimma withdrew from partnership.

Financial Distributors

MIAMI, Fla. — Financal Distributors Corporation has been formed with offices at 8340 North East Second Avenue to engage in a securities business. Officers are Frank L. Edenfield, President and Treasurer; J. R. Missett, Vice-President; and George G. Schorr, Secretary. Mr. Edenfield has conducted his own investment business, Frank L. Edenfield & Co., in Miami for many years.

Hentz Opens Miami Office Under Jos. A. Rayvis

MIAMI, Fla.—H. Hentz & Co. has opened a branch office at 1112 Ainsley Building, under the management of Joseph A. Rayvis. Mr. Rayvis, a member of the Philadelphia-Baltimore Stock Exchange, was formerly President of Plymouth Bond & Share Corp.

Customers Brokers to Hear

Marvin Chandler, President, and C. J. Gautheir, Financial Vice-President, of Northern Illinois Gas Company will address the meeting of the Association of Customers Brokers to be held Jan. 10 at 4:00 p.m. at the New York Society of Security Analysts, 15 William Street.

Form Hamilton Securities

(Special to THE FINANCIAL CHRONICLE)

MIAMI BEACH, Fla. — Hamilton Securities, Inc. is engaging in a securities business from offices at 1604A Washington Avenue. Officers are H. I. Telles, President; Diane Marshall, Vice-President; and S. D. Singer, Secretary-Treasurer.

Diversified Finance

FT. LAUDERDALE, Fla.—Diversified Finance Corporation is engaging in a securities business from offices at 615 West Broward Boulevard.

Dean Witter Analysis Sees Stock Prices Level in 1961

A framework to guide "A Positive Investment Policy" is erected by Mr. FitzGerald who foresees a bull market in "safe" stocks, liberal yields of senior securities, profit potential in selected cyclical stocks, and opportunities in raw material stocks and in no longer popular research leaders. Other areas favorably described are West Coast companies and certain foreign situations.

A higher level for the stock market in 1961 is forecast by Dean Witter & Co., San Francisco, Calif. in *"A Positive Investment Policy for 1961"* research paper.

Philip J. FitzGerald

The recent study, prepared by Research Partner Philip J. FitzGerald, reviews "The Surge of the 1950s," looks at 1960 in retrospect, 1961 in prospect, and considers thoughtfully the importance of the continuous needs of institutional buying which has been the most basic market factor over the past decade. The study states that higher stock prices are based on the inherent scarcity of high grade securities and favorable long-term prospects.

The favorable long range prospects include:

Population expansion and rising living standards;

New economic values created by research;

Continuing confidence all over the world in the accomplishments of private management;

A larger share of world savings seeking, to invest in equities;

New world markets opened up by the industrial development of emerging nations in Asia, Africa and Latin America; and

Periodic fears of new waves of inflation.

For the year ahead, the Witter analysis predicts the investor can profit on the liberal yields of senior securities, the bull market in "safe" stocks, and the profit potential in selected cyclical stocks. There also should be investment opportunities in deflated raw materials stocks, in research leaders out of favor with the public, in the growth situations in Great Britain and Europe, and in favored West Coast stocks.

Among senior securities, municipal bonds are particularly attractive because they are available at historically favorable interest yields.

Among the non-cyclical stocks, certain utilities, food processors, merchandisers, finance companies, food chains and banks are conservatively priced and provide liberal yields, Mr. FitzGerald writes.

Cyclical stocks which have ridden out the trough of the current business correction with well protected dividends include companies in the steel, chemical, electrical equipment, building material, railroad and machinery and tool industries.

Raw material stocks which have sold at depressed levels count among them members of the domestic oil, paper and nonferrous metal industries.

The research leaders which were the brilliant performers of the 1950s are best bought on weakness because they provide little or no dividend yield and are prone to obsolescence or severe price competition. Also, they would be disadvantaged if some military engagement necessitates the resurrection of the excess profits tax. The electronic section of this group includes companies supplying the missile and space program, computer manufacturers and specialist companies with excellent records. It also includes certain ethical drug companies and metallurgists developing new materials.

Investors who think the economic growth of the free world will outstrip the U. S. are well advised to buy only qualified investment trusts or the greatest foreign industrial names. The other avenue is to buy great American companies with important foreign operations. Within this group are included some of the international oils, manufacturers and merchandisers, ethical drug companies with large foreign sales, or the big mining companies which operate internationally.

Strong West Coast companies have added investment attraction because the area and its industries have been growing at a faster rate than the rest of the country, the study concludes.

Rittmaster, Adelberg, Voisin

The firm name of Rittmaster, Adelberg & Co., 260 Madison Ave., New York City, members of the New York Stock Exchange, on Jan. 1 was changed to Rittmaster, Adelberg, Voisin & Co.

Form Public Securities

Public Securities Corporation has been formed with offices at 60 East 42nd Street, New York City to engage in a securities business. Max Block, Jr. is President and Secretary.

Robert Thum With Merrill, Turben

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio. — Robert D. Thum has become associated with Merrill, Turben & Co., Inc., Union Commerce Building, members of the New York and Midwest Stock Exchanges. He was formerly Vice-President of Gaither & Co., Inc.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The Democrats are now solidly in control—lock, stock and barrel—of our government.

They not only control the new Congress that convened this week, but they soon will have control of the White House, which means the executive branch of the Federal Government, for the first time in eight years. Democrats control the Senate by a margin of 65 to 35, and the House 262 to 175.

Theoretically, members of the Federal Judiciary are above politics, but nearly every one of them was nominated and confirmed by the United States because they had "played politics" somewhere along the way.

Although President Eisenhower during his eight years in office appointed five of the nine incumbent members of the United States Supreme Court, actually most of the other Federal judges were appointed during Administrations when there was a Democratic President.

It is nothing but natural that Federal jurists appointed by a Democratic President would have warm leanings toward the Democratic party. The same, of course, would apply to judges who became Federal judges under a Republican President. Federal judges are appointed for life.

Chances are President-elect Kennedy will appoint at least two members of the United States Supreme Court during his White House tenure. This is on the assumption that Associate Justice Hugo L. Black and Associate Justice Felix Frankfurter decide to take it a little easier, and retire. Both of course could have retired with full compensation years ago.

Both Justices Black and Frankfurter were appointed to the nation's highest tribunal in 1937 by President Franklin Roosevelt. Justice Frankfurter, the ex-law professor, is the older of the two, having been born in Vienna, Austria in 1882, while Justice Black is Alabama-born in the year of 1886.

"On-the-Spot"

It is because the Democrats are in such a great majority in the government of our country that they are on a spot to produce. To hear some Democratic Senators and House members speak these days, this country is going to make greater headway during the next four years than was made during the eight years of President Eisenhower.

That may be true, but time will tell. But if they fail to make progress, they are not going to have anybody to blame but their own party. They can't blame anybody else, because they control just about everything.

The hard, cold facts are that having a Democrat in the White House, a Democrat appointed Cabinet and sub-Cabinet officers, and a Democrat-controlled Congress is not going to be a panacea.

Like President Eisenhower did in 1953 when he succeeded President Truman, Mr. Kennedy is inheriting some tough problems. But this country has survived many crises in the past and will in the future.

Prospective Legislation

President-elect Kennedy has already made it clear some of the things he would like for Congress to enact in the 87th Congress.

These include raising the minimum wage, health care for the elderly, assistance to the depressed areas, farm legislation, aid to education, and public housing.

With growing problems of unemployment, Congress is likely to provide some assistance to depressed areas, but the way the law-makers are likely to do it is to take some of the funds that have been earmarked for foreign assistance, and use it at home.

Congress seems unlikely to levy more taxes during the year. At the same time Congress appears unlikely to remove some of the taxes that will expire during the year. It undoubtedly will re-enact the corporation franchise and the various excise taxes that are due to expire. It is unlikely that the law-makers will let the one-cent additional gasoline tax expire at the end of the fiscal year. This is the tax, among others, that is being used for the accelerated highway construction program.

Certainly Congress should write a new farm bill which will of course, create much wrangling. Most people unquestionably agree that the new farm legislation should reduce the cost to taxpayers of the various farm surpluses.

The other day Senator John J. Sparkman of Alabama said this country needs a farm program that will insure the farmer receiving a fair share of the national income. But the question is: Is this possible with organized labor demanding higher and higher wages?

To Hike Debt Ceiling

It is practically certain Congress again will be called upon to raise the ceiling on the public debt. Under present law, the public debt ceiling is scheduled to revert from $293 billion to $285 billion on June 30. The question is how big will the ceiling go, if there is deficit spending ahead.

Because the fiscal picture is not bright it is unlikely that there will be a tax reduction. If there is any reduction it would probably come in the form of higher depreciation allowances designed to encourage new investments. This might be offset by closing so-called loopholes such as the 4% tax credit accorded stockholders on dividends.

Some of the large cities, where the Democrats control politics, are advocating that Congress create a Cabinet level Department of Urban Affairs. President-elect Kennedy is in favor of such a department. The department would coordinate expanded Federal activities in urban development and planning such as anti-air pollution, public housing, metropolitan area transportation and urban highways.

Composition of Congress

The new Congress convened with a full membership for the first time in a long time. Usually there are a handful of vacancies.

It is composed of 100 members of the Senate, including two women for the first time and 437 House members. They are Senator Margaret Chase Smith, a Republican of Maine, and Senator Maureen Neuberger, Democrat of Oregon.

Incidentally, there are 17 women in the Congress. All but one are widows of former members of Congress.

The plan, subject to change of course, is to let the House membership revert to its former number of 435 members after the 1962 Congressional elections and after the redistricting takes place. Two additional House seats were provided on a temporary basis after Alaska and Hawaii were admitted to statehood. The House membership because of its size becomes legislatively unwieldy at times.

Several states will lose one or more House seats after the 1962 redistricting. Arkansas is scheduled to lose two seats, and this has importance because Arkansas Congressmen are Chairmen of two important House Committees. Representative Wilbur Mills is Chairman of the House Ways and Means Committee, and Representative Oren Harris is Chairman of the House Interstate and Foreign Commerce Committee. In all probability both Mr. Mills and Mr. Harris will seek reelection, but in all likelihood their opponents will be incumbent Congressman. Both Messrs. Mills and Harris are regarded as conservatives.

For the first time in history, two members of the Negro race, Representatives Adam Clayton Powell of New York, and William L. Dawson of Chicago, will take over as Committee Chairmen in the House.

[*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.*]

"Yes, that's wonderful, we made $100,000 profit—now let's try it sometime when the market is open!"

COMING EVENTS

IN INVESTMENT FIELD

Jan. 20, 1961 (Baltimore, Md.)
Baltimore Security Traders Association annual mid-winter dinner at the Southern Hotel.

April 7, 1961 (New York City)
New York Security Dealers Association annual dinner at the Hotel Commodore.

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. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

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.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

Businessman's BOOKSHELF

Future of Industrial Raw Materials in North America—Wilbert G. Fritz—National Planning Association, 1606 New Hampshire Ave., N. W., Washington 9, D. C. (paper), $2.

Incentive Savings Plans—(including description of 22 plans)—Committee on Savings Development, American Bankers Association, 12 East 36th Street, New York 16, N. Y., $1.

Islamic Republic of Mauritania—Descriptive brochure — French Embassy, Press Service, 972 Fifth Ave., New York, N. Y. (paper).

New York Small Loan Law and Regulations of the Superintendent of Banks of the State of New York—New York State Consumer Finance Association, Woolworth Building, 233 Broadway, New York 7, N. Y. (paper).

1961 Guidebook to California Taxes — Russell S. Bock — Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill., $4.

Occupational Wage Survey, Oklahoma City, Okla.—U. S. Department of Labor, Bureau of Labor Statistics — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 25¢.

Study of Ohio's Public Information Laws — Report — Committee on Public Information, Office of the Governor, Columbus 15, Ohio.

Subject Index of Bulletins Published by the Bureau of Labor Statistics, 1915-59 — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 55¢.

Subsidy and the Subsidylike Programs of the U. S. Government —Materials prepared for the Joint Economic Committee of the Congress of the United States—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 25¢.

Taxes for the Schools—Roger A. Freeman—Institute for Social Science Research, Continental Building, Washington 5, D. C. (cloth), $5.00.

U. S. Master Tax Guide for 1961 —Includes rate tables and explanatory text—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill. (paper), $3.00.

Wall Street: A Pictorial History—Leonard L. Levinson—Ziff-Davis Publishing Co., 1 Park Avenue, New York, N. Y., $15.

Your Bank — David H. McKinley and George L. Leffler — Educational text on services, systems and safety—Pennsylvania Bankers Association, Box 152, Harrisburg, Pa., $1.50.