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Editorial AS WE SEE IT

It has now become evident to all as it should have been from the first, that the growthmanship ideas of the Kennedy Administration will present some difficult and novel problems in both economics and practical politics. The question of how best to eliminate or at the very least to mitigate the so-called business cycle, and particularly what government could or should do to achieve this purpose, has long been one of the central themes of both the economist and the New Deal type of politician. One trouble with the prescriptions evolved through the years has been that too little account, if any account at all, was taken of the abiding or residual effects of the steps advocated for countering or preventing recessions or depressions. Very few have taken the trouble to inquire what would be likely to take place after a recession or a depression had been averted or minimized by any of the suggested programs.

But some such question must now be faced by those who are to formulate the economic management programs of the new Administration. Both the President-elect himself and various of his advisers have made it quite clear that what is troubling them most is the fact that recovery from the last recession did not take us beyond the point from which we entered it. In short, they find the "economy" now to be "tired" and "sluggish" and in need of something more than temporary shots in the arm to relieve a temporary letdown. While they do not hesitate to say that ways and means must be found to eradicate the current recession—without at the same time seriously worsening our balance of payments situation — much more than this is required if what they regard as the proper rate of growth is to be assured in the years to come. They must also consider whether that which they do to bring an end to the present recession will interfere with the long-term goals they have in mind. This is a new problem in the managed economy field of economics, or at least one that has not had a tenth of the attention given the contra-cyclical doctrines. Will the economists by (Continued on page 24)

Economic and Investment Outlook Offers Much on the Bullish Side

By Leicester W. Fisher, *President of Managed Funds, Inc., Vice-President, Van Strum & Towne, Inc., Institutional Shares, Ltd., and Institutional Income Fund, Inc.*

Lifelong financial analyst and ex-financial editor predicts a business turn-around by July, leaving corporate profits and GNP moderately higher for the year than 1960, and a more encouraging outlook for the next year and a half. Expected to bring this about are: inventory reductions; larger constructive outlays, exports and consumer demand; lowered rediscount rate; and Federal stimulative efforts. Mr. Fisher also cites the problems apt to plague us, anticipates stock market averages at existing level for the year, stresses selectivity, and the importance of research developments.

The American economy is operating at a near-record high rate and, notwithstanding a decline from the June 1960 quarter peak—a decline which will carry somewhat further—the outlook is for one or more new highs within the next 18 months. While the first year of the "golden sixties" fell somewhat short of the more optimistic expectations, it was a year in which the Gross National Product—total value of all goods and services—exceeded the half trillion dollar mark for the first time.

Leicester W. Fisher

Whereas economic activity in 1960 rose to new records in the first two quarters and declined irregularly thereafter, a reversal of that pattern seems likely in 1961. Widespread optimism in early 1960 resulted in heavy inventory accumulation and it was not until after midyear that consumption began to outrun production. Inventory liquidation will probably continue until some time in the second quarter of the new year.

Aggregate business activity as measured by the Gross National Product should exceed $510 billion in 1961—possibly by a substantial margin — as against $504 billion for 1960, while disposable Personal Income should rise from about $354 billion to $360 billion or more. Consumer spending may be expected to increase from some $328 billion to at least $334 billion. Corporation profits after taxes should be slightly greater than the estimated 1960 total of about $22.5 billion, with dividend payments moderately higher than 1960's estimated $13.8 billion.

It is clear that if these forecasts come close to realization, the business recession of 1960-61 will have been both shallow and short. What are some of the factors pointing toward the likelihood of the termination of the recession within the next six months? And isn't there just as much chance that the recession will deepen as there is that it will soon end?

Expects Inventory Reduction

In the first place, the most important recession inducing influence — high inventories — is in the process of being corrected. When inventories are abnormally high in relation to sales and new orders, manufacturing plants curtail production, unemployment mounts, and wage payments decrease. Purchasing power is thus adversely affected and consumer spending declines accordingly. Price competition is severe at the manufacturing, wholesale and retail levels and profit margins are squeezed all along the line. Consumers defer purchases in the hope of buying at lower prices later and so do retailers and wholesalers.

Reflecting these conditions, the FRB index of industrial production which had reached a high of 111 in January fell from 110 to 105 between July and November and further declines are expected in December, January and February. This index may fall to 96 or 97 before a levelling off and then an upward trend gets under way.

The process of inventory readjustment has been especially pronounced in (Continued on page 19)

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.

This Week's Forum Participants and Their Selections

Brockway Glass Co. — Merton S. Allen, Analyst Research Dept., Harris, Upham & Co., New York City. (Page 2)

Horn & Hardart Co. (N. Y.) — Daniel C. Maltz, Manager of Research Dept., Bruns, Nordeman & Co., New York City. (Page 2)

MERTON S. ALLEN
Analyst, Research Department, Harris, Upham & Co. New York City
Members New York Stock Exchange

Brockway Glass Co.

Merton S. Allen

It has been over two years since I submitted a "Security I Like Best" article. On Nov. 28, 1958, I contributed a study on American Telephone & Telegraph. In less than one month's time after recommending it, A. T. & T. announced a 3-for-1 split and increased its dividend. Investors in this heretofore defensive issue have been rewarded with over 120 points profit. One year before recommending A.T.&T. I suggested Miles Laboratories at $25 per share—now $75. The year before Miles, it was Getty Oil, which doubled within a year.

My present and sixth contribution to this column is BROCKWAY GLASS COMPANY. INC., the fourth largest glass container manufacturer in the United States.

Before delving into some of the facts concerning Brockway Glass, it might be advisable to take a quick look at the industry of which it is a part. There is little doubt that the glass container industry is a growth industry. Since 1930 glass container shipments have widely outpaced population growth and consumer disposable income. In 1959, glass container manufacturers shipped enough units to supply every man, woman and child in the U. S. with 123 containers each. There are many reasons for the popularity of the glass container. Only glass can be formed into an infinite variety of shapes, colors and sizes while at the same time remaining nonporous, impermeable, transparent, sanitary and chemically inert. Glass adds nothing to and takes nothing from products packed in it. These attributes enable glass to be at one time the ideal container for sulphuric acid as well as baby's custard dessert.

While the glass container has seemed from time to time to lose a part of its market, as for example canned beer replacing bottled, the glass container has always managed to open new markets, such as the case with baby foods and soluble instant coffee.

In two specific areas the bottle is again making a strong comeback. One illustration is where waxed containers took over in retail milk sales. Bottles are now making a strong resurgence in popularity because many buyers today are purchasing milk in ½ and 1-gallon bottles rather than in quart cartons. The "no deposit, no return" handly bottle is also restoring the bottles' preference over cans with beer drinkers.

The advantage the glass container offers over others may best be cited in the case of baby foods. The user may open the container, use the destired quantity, and reseal the container again for later use. The container is transparent and the amount remaining can easily be seen. The container does not decay or alter the flavor. The container may be used as both the vessel to heat the product in and to serve from, thereby limiting the handling of the food and the resultant exposure to germs and impurities.

The glass container will always be competitive pricewise with other containers used for the same purpose. This is simply because the basic materials from which glass is made are in abundant supply and easily obtainable at very low cost. The basic elements used in the manufacture of glass are sand, soda ash and limestone. Further, glass containers surprisingly have proved themselves to be less vulnerable to damage during shipment than competitive containers. A transportation & packing survey sponsored by the railroads of the U. S. A. disclosed that freight claims on foods and beverages, packed in glass, averaged $10 per car as against $55 for juices in tin and $44 per railroad car for fruits and vegetables in tins.

Now, to get back to the subject company of this article, Brockway Glass Company. On June 29, 1960 162,000 shares of Brockway Glass common stock was offered to the public through an underwriting headed by two outstanding Wall Street houses at $38 per share. Since its initial public offering the price of Brockway has declined to about $25 per share, or over 30%. There is little question that at least part of this decline can be attributed to the development of unusual competitive conditions. This evolved when one or two of the glass container manufacturers started a price war. Keen price competition has existed in the glass as well as other industries before, and have run their due course. There are many reasons to believe that this condition, which has been in existence for two years, may be drawing to a close, and that things may revert back to normal before too long. The first indication of this has been in an announcement that American Can would raise can prices early in 1961. This may be expected to have the tendency to cause an upward adjustment in glass container prices, which have not been increased since 1957 despite generally increased costs. This combination of circumstances has caused Brockway's net sales to decline from about $53.7 million in 1959 to about $52.6 million for their fiscal year-end 1960. The per share earnings have declined from $2.83 to $2.19 during the same period. Part of the decline in the per share earnings was also caused by the additional 130,000 shares issued during 1960. The earnings for 1959 and 1960 have been adjusted to include two recent additions to the Brockway family.

One, was the acquisition of the Tygart Valley Glass Co. and the other was the recent acquisition of Celluplastics Inc. The Celluplastics company has had years of experience as a prime producer of rigid and flexible plastic containers produced by injection molding and the extrusion process.

The Celluplastics acquisition together with the start-up of Brockway's own blown plastic bottle plant in Massachusetts this past September, will place Brockway in a strong situation in the rapidly growing plastic bottle field.

Brockway Glass was incorporated in 1907 and has its main plant and offices in Brockway, Pa. The company manufactures glass containers at six plants located in Brockway, Pa., Crenshaw, Pa., Muskogee, Okla., Lapel, Ind., Freehold, N. J., and Washington, Pa. The company manufactures tubing glass for laboratory, medical and scientific work through the DeMuth Glass Works, a wholly owned susbidiary at Parkersburg, W. Va. Brockway is also expected to be producing from a new $5¾ million glass plant now under construction, in the summer of 1961. This new plant is located near Minneapolis-St. Paul, and will be serving the swiftly growing northwestern section of the United States. Thus, before 1961 ends Brockway will have eight glass and two plastic container plants in production.

In the last 10 years Brockway has exhibited a vigorous growth pattern. Net sales have climbed to $52.6 million from $15.8 million. Per share earnings went from 63¢ per share in 1951 to $2.89 per share in 1959 before dipping to $2.19 for the fiscal year ending Sept. 30, 1960, when there were 130,000 more shares outstanding.

Current assets totaled about $17.4 million, current liabilities equaled $4.5 million and cash plus marketable securities equaled about $6.4 mililon for the year ending Sept. 30, 1960.

The company has a long-term debt of about $2.7 million, which was down from about $3.8 million from the year before.

Brockway has 60,959 shares of 5% non-convertible preferred shares outstanding plus 1,319,852 of common stock, of which the officers and directors own 21%.

The writer has compared Brockway Glass and its four largest competitors as to operating and financial ratios on the basis of reports for 1959 and found Brockway giving a very good account of itself. Space does not permit this comparison to be illustrated, but suffice it to say in comparing the eight operating ratios: percent increase in sales, in net income, ratios of net income to sales, net income to equity, turnover of total capital used, ratio of net income to total capital used, earnings per common share and cash dividends, Brockway placed first in three of the comparisons, second twice, was third twice, fourth once, and never placed last. In the eight financial ratios: cash to current liabilities, current ratio, number of days sales invested in accounts receivable, number of days plant operating cost invested in inventories, ratio long-term debt to capital employed, stockholder equity to total capital assets employed, percent of earnings paid as cash dividends to stockholders, percent of increase in stockholder equity, Brockway placed first twice, second three times, third once, fourth twice, and again never placed last.

It might be interesting to note at this time that Brockway's accounting methods are quite conservative. For example, the company carries all inventory over a year old on its books as having no value. Needless to point out, the company's bottles and jars are basic supplies and rarely, if ever, become completely obsolete.

Further, Brockway is accelerating the repayment of its long-term loan. It has been paying some dividend each year since 1927. The current rate is 20¢ per share quarterly plus a dividend in stock; in 1960 it paid a 2% stock dividend.

Brockway's management is progressive and forward-looking. The

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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.)

The Dollar versus Gold

By Donald H. McLaughlin, *President, Homestake Mining Co., San Francisco, Calif.*

There is no other way than to make gold the basic money of the free world and it can only be done by (1) devaluing it in proportion to the purchasing power decline and (2) simultaneously restoring the full gold standard. The mining head terms banker's proposal to repeal gold reserve "shocking," and criticizes as unrealistic "purists" who advocate gold standard resumption at the existing $35 mint rate. He raises and answers arguments raised against a gold price rise—suggested at no less than $70 and no more than $100 per ounce; warns of what may be the consequence of U.S.S.R.'s recent ruble devaluation; and comments on rectifying our balance of payments deficit. The repudiation of gold is viewed as most unlikely, and the issue is posed in terms of deflation at the existing mint ratio, characterized by lower wages and costs and increased unemployment, or hike in gold in concert with other nations.

The Basic Conflict

Under the policy on gold that has prevailed in the United States for the past 25 years, successive national administrations have succeeded in freeing themselves from the restraints of the gold standard domestically and at the same time have maintained the gold backing of the currency outside the country by redeeming the dollar in gold on demand by foreign Central Banks. By this rather strange modification of the gold standard, it has been possible to finance a succession of deficits by the subtle device of monetization of debt without danger of a run on the gold stocks of the country by worried citizens. At the same time, the reputation of the dollar abroad as hard money has been preserved by readiness to convert it into gold at the rate of $35 per ounce, which was established as its measure of value in 1934.

D. H. McLaughlin

Unfortunately, this policy, including the prohibition of ownership of gold by our citizens, greatly weakened the restraints that gold ordinarily could have imposed on inflationary practices, which during the past two decades have led to the depreciation of the dollar in terms of domestic buying power to less than half its 1940 value. Throughout this period, however, dollars held by foreign Central Banks have remained convertible into gold—a procedure that in a very real sense forced gold itself to accompany the dollar in its decline. Today, the purchasing power of an ounce of gold in the principal trading centers of the free world is the same as that of 35 paper dollars and is likely to remain close to this official figure as long as the gold reserves of the United States are adequate and are used to back the dollar at this rate. In effect, this means that an ounce of gold now buys no more than could be purchased for about $17 in 1940.

In the eyes of the American money managers, this virtual devaluation of gold demonstrates that the dollar is the dominant monetary unit of the world and that gold is of incidental importance. It must be admitted that the record of the American gold policy to date seems to support this contention. Furthermore, it follows that a dependence of gold on the dollar rather than the traditional relationship will indeed be established unless the dollar is forced to conform to the presumably higher worldwide value of gold, which would be manifest either by a drastic decline in wages and prices in the United States or a revaluation of the dollar in terms of gold.

Thus, a conflict clearly exists between gold and the dollar that can be finally resolved only by abandonment of gold, or by the adjustment of the dollar to the more stable and persistent value of this long accepted monetary commodity. Unless gold itself is discredited as international money, which in my judgment is a most unlikely possibility, the alternatives for the United States appear to be either deflation or revaluation of the dollar.

The Deficit in International Payments

In the decade following the war, the productive capacity of the United States was so overwhelmingly great in comparison with the rest of the world and its stock of gold was so large that it was able to provide the immense outflow of goods and money necessary for the rehabilitation of Europe and Japan without too severe a strain on its economic and financial system. These conditions unfortunately no longer prevail, and continuation of the generous procedures that may have been wise and necessary in this period of recovery are now resulting in a challenge to the dollar that cannot be ignored.

Funds provided under the Marshall Plan and other grants and services made available by the United States not only closed the so-called dollar gap but overcorrected the imbalance to such a degree that a succession of deficits in international payments was imposed on the United States that have been reflected in heavy losses of gold and in the build-up of short term dollar claims in foreign hands that we stand ready to redeem in gold. These claims and losses have now reached a formidable magnitude and cannot go much higher without forcing drastic steps to protect the dollar

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OBSERVATIONS...

BY A. WILFRED MAY

A GUIDED TOUR THROUGH BUREAUCRACY-LAND

"The SEC should have been permanently closed down back in 1939. Government agencies get hardening of the arteries after their first five years."

Thus did Supreme Court Justice Douglas, himself a former SEC Chairman, quoting his successor Jerome Frank, toss a bomb-shell into the audience gathered in October, 1959 to celebrate the Commission's 25th anniversary.

Apparently this cynical conviction has likewise been ringing-a-bell with James Landis, as evidenced in his just-issued *Report on Regulatory Agencies to the President-Elect.*

Although he makes no such definite terminal-recommendation as did the above-cited Justice Douglas, Mr. Landis does seem to imply that an agency's faults multiply with maturity. His listing of such shortcomings includes "the breakdown of the administrative process and patent failure to execute the laws" (at the Federal Power Commission) and succumbing to political spoils.

Mr. Landis, one of the original *Brains Trusters* that designed the New Deal's securities legislation and regulation, later served as SEC Chairman. After his Harvard Law School Dean-ship—when not working privately for the Kennedy's—he chaired two other administrative agencies, the Civil Aeronautics Board and the Office of Civilian Defense. In the area of the *subjects* of regulation, he is now Chairman and General Counsel of the Association Mutual Fund Plan Sponsors, The "Front-End Loaders." Surely he is the ideal individual to take the sorely-needed look-see at the far-flung government agencies, for the guidance of the new President. His initial result gives promise of at least one good-thing-to-come on the imminent New Frontier.

Nasty Statement Endorsed

"The F.C.C. (Federal Communications Commission) officials are campaign contributors who are unassignable elsewhere," was a salvo fired recently at this controversial Agency by one of the profession's most popular performing "phenoms," Mr. "Open-End" David Susskind.

Bizarre as this utterance may have been, and so regarded in the gossip columns, it is made to "look like chicken-feed" by the Landis treatment of the Governmental Lords of Radio-TV.

"The Federal Communications Commission presents a somewhat extraordinary spectacle," is the Landis reaction. "Despite considerable technical excellence on the part of its staff, the Commission has drifted, vacillated and stalled in almost every major area. It seems incapable of policy planning, of disposing within a reasonable period of time the business before it. . . . It has been subservient, far too subservient, to the subcommittees on communications of the Congress and their members. A strong suspicion also exists that far too great an influence is exercised over the Commission by the networks."

Responsibility at the Top

"The quality of its top personnel is, of course, primarily responsible for these defects." This charge, widely applicable in the Agency area, he ties up directly with the ever "new lows" in TV-Radio programming: "Programming proposed by applicants is of high-sounding moral and ethical content in order to establish that their operation of a radio and television station would be in the 'public interest.' The actual programming bears no reasonable similitude to the programming proposed. The Commission knows this but ignores these differentiations when renewal of licenses of the station is before them. Nevertheless, it continues with its Alice-in-Wonderland procedures."

"On major policy matters, the Commission seems incapable of reaching conclusions," is another of the Report's unequivocal and inclusive indictments.

Dean Landis concludes his critique of the FCC with the suggestion that the solution must come through stronger and more competent leadership.

Importance of Leadership

This emphasis on leadership is, correctly, we believe, applied to various other Agencies covered in the Report. As well stated in the introduction: "Finally, it must be remembered that we cannot regard our government as simply a government of laws and not of men, but rather a government of laws by men. Although the mechanisms we create for administration may be more or less well adapted to a particular task, the individuals that operate them singly or as a group have the ultimate responsibility of guidance and control."

An exception to such crucial need for more top-level force, we believe, has existed in the case of Author Landis' former bailiwick, the Securities and Exchange Commission. There, continuing strength at the top has been exhibited by such Chairmen as Kennedy (Sr.), Landis himself, Douglas, Frank, Purcell, Cook, and Gadsby. (Should Louis Loss, an ex-SEC official presently at Harvard, now get the job, this record will be preserved.) Vigorous leadership shown at the Chairman level has, however, frequently become diluted on the way down through the Commission channels. We have seen this "dilution," in both administrative and legislative areas, in the case of the Mutual Funds with their growing pains. This slothfulness has tended to offset boldness by Chairman Gadsby, who last July portrayed a "Profile in Courage" in publicly blasting at the abuses in the Management-Contract sector.

The opposite situation, namely where the Commission staff is the inhibited prisoner of a timid Chairman, existed in the SEC's pre-Gadsby regime. But even in the case of that stalling interval, Chairman J. Sinclair ("Call-Me-Sink") Armstrong was transferred to an Assistant Secretary-ship of the Navy.

In this case, the administrative short-comings stemmed from the fact that the Chairman's previous experience lay wholly in the legal, as distinguished from the financial field. His sole post-academic employment was, from 1941 to 1953, employment by a Chicago law firm.

On the other side of the medal, many observers feel that Chairman Demmler was over-slanted toward the corporate side, to the neglect of the legal regulatory powers which were available.

Those Tipsters

Particularly satisfying to us, in view of our own recent writings, is Mr. Landis' vigorous citation of the promotional transgressions perpetrated by some "investment advisers;" including both the genuine ones and the camouflaged tipsters. (Our complaint with verbatim examples, about the ever-growing torrent of thinly-veiled hot-tipping appeared in this space of Dec. 1, Dec. 8, and Jan. 5.)

Mincing no words, consistent with his habitual integrity, the report's author attacks this growing abuse thus: ". . . Controls should be extended more widely 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."

Unfortunately, Dean Landis neglects to couple with his indictment any detailed discussion of the practical potentials for regulation and reform.

We pointed out last week the difficulties, along with some affirmative suggestions, in tightening regulation and reform. Existing controls, even after last year's amending of the Federal Investment Advisers Act, are insufficient and haphazard. Non-uniformity of course characterizes prohibitions imposed by some states, as recently in New York and New Jersey.

Most tantalizing, particularly because of his unique ability here, is Dean Landis' cut-off in this area!

A Crucial Observation

Mr. Landis makes a vital observation on the administration of the basic philosophy of our securities legislation, of which he was a key framer and administrator. He finds that, stemming from the attitude of some of the Commissioners, there has been a swing from concentration on *full disclosure* over to the passing of judgment on the *quality* of the securities being registered.

Conforming to the *disclosure* theme underlying all of our post-1929 Federal securities legislation, is the caveat prescribed for prominent projection on all Prospectuses going to the public: **"These securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

The Commission's order specifically prescribes that this legend "appear on the outside cover page, in capital letters printed in bold-face Roman type, at least as large as 10-point."

The finding of Dean Landis that the implication of "Government Approval" is actually being abetted by Commissioners themselves, confirms a principal worry of the serious objectors to the invocation of inclusive Federal regulation. In line with continuing British philosophy, they have feared that the investing public cannot be dissuaded from the illusion that Government *regulation* implies Government *guaranty*.

* * *

Thus, in this as well as the other important areas touched on by the Report, a gap in affirmative administrative and legal programming remains. We, of course, have no way of knowing Dean Landis' prospective place, if any, with our incoming Executive. In any event, it is surely to be hoped that his further efforts will be enlisted to "finish the job" which he has so auspiciously begun.

* * *

TOPS IN STOCK MARKET AUTOMATION

(Science vs. Investment)

The American Stock Exchange announces its scaling of a fresh peak in reporting. Its ordering, at a cost of $3 million, a revolutionary communications mechanism and data processor will, it is proclaimed, provide investors (and/or market-players) with the world's first complete, electronically-automated quotation network. It will embody history's first application of a combination voice-produced and print-out reporting techinique.

Edward T. McCormick, the Exchange's President, told a press conference Tuesday, "The new system will provide instantaneous, automatic electronic reports on open-high-low-last-bid-asked-volume-to-the-moment and size (number of shares bid for and number of shares offered) figures as contrasted to the present bid and asked, last price procedure which does not have the flexibility to allow the history of the activity of a stock action to be incorporated or the ability to speed up during peak periods when demand for information increases. It will have a capacity for reporting, via telephone or print-out, 2,000 securities at the rate of 72,000 inquiries per hour. Initially, at least 750 member subscribers will be able to query the system concerning nearly 1,100 ASE issues now on its list and never hear a busy signal."

Peep-Holing on the Specialist

Mr. McCormick added, "This large expenditure, which will increase and broaden our service to investors, is economically justified in the interests of meeting the demands of an increasingly informed investing public. This is a major first in Wall Street history. Never before has so much information been instantaneously available to shareowners. With this revolutionary technique investors will be in the position of looking over the shoulders of busy stock specialists insofar as current market information is concerned. As to individual issues, investors can actually be as informed as a person on the ASE trading floor."

But—the Investment Gap

Assuredly, it is convenient, and in some ways constructive, for "investors" and others "following-the-market," to get market quotations and other reports promptly. *But* it would be more fortunate if greater facilities for enhancing the *investment* processes could also be provided (on the premise that an investment consists of a long-term stake in a going enterprise; and not in quotations, or participation in a *Numbers Game*).

Meanwhile, the new mechanism will accentuate the existing domination by the *speculative* attitude.

In a larger sense, this stepping-up of automation in the stock market seems to conform to the predominance of *science* over the moral forces, ranging from religion to international peace.

Heli-Coil Corporation

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

A look at this remarkable manufacturer of metal fasteners, whose products thread their way into almost every type of industrial output that requires screws or bolts.

Archimedes, an erudite Greek, invented the screw about 250 B.C. He never realized, however, that his brain-child and its offshoot, the screw bolt, would be used by the trillions, and find their way into such fantastic things as motor cars, missiles, airplanes, derricks, electric motors, road scrapers and vacuum cleaners. He never realized either, that bolt-fastened high speed motors and machines would be built that would so violently vibrate that they'd shake their bolts loose or strip their threads unless something was done about it. Fortunately, something was.

Heli-Coil Corporation perfected and patented a coil insert that fits as a liner between any conventional screw or bolt and the threaded hole it fits in. This coil insert assembly accomplishes three things: (1) it prevents the bolt from loosening; (2) it increases by 250% the original thread strength and (3) it permits the use of shorter or smaller screws or bolts and fewer of them. This coil is more than a snake-like twist of wire. It's made by cold drawing stainless and carbon steel or phosphor bronze wire, under high pressure, into a form shaped like a diamond. This minute diamond grid snuggles up against the threads, as the bolt is fastened, and grips like a baby vise. Heli-Coil Corporation not only makes these inserts, in astronomical numbers, but turns out the tools, dyes and gadgets necessary to apply and install them.

The end use of these remarkable metal fasteners is almost limitless. The lighter for your cigarette, the mechanism of your camera, an outboard motor, an electric drill, a power saw, a compressor, the cylinders, the transmission and the frame of your car, the nose cone of a missile, or the spiked heels your wife is wobbling on—all these and a myriad of other things use the products of Heli-Coil. These ubiquitous inserts have extended the use of nonferrous materials, such as plastics, aluminum, and wool, natively too soft without assistance, to withstand heavy vibrations. In ferrous metals these coils because they're of stainless steel buttress the threads against the inroads of rust, corrosion, heat or salt water.

Customers World Over

The customers of Heli-Coil number over 7,500, include almost any industry you can name, and are found all over the world. Rolls Royce and Ford of England are customers; so is Renault. (Heli-Coil limits its own manufacture and sales to the Western Hemisphere. Production and sales elsewhere are handled under licensing agreements with companies in France, England, West Germany, Australia and Japan.) The business is not confined however to new installations; substantially increasing earnings are being derived from enlarging the repair and maintenance market, especially by providing repair kits tailored especially to the particular needs of major industries. A service kit for marine motors would obviously not prove very handy for launching space rockets.

While Heli-Coil Corporation owns over 50 American patents, it is not resting on its laurels. The company is spending about 3% of sales, annually, on an effective and imaginative research program. New industrial applications are being constantly evolved, and the company works closely with customers on coil inserts specially designed for new models of machinery of every description. Attention is given not only to specific product needs of particular customers, but to the problems of the future, involved in inserts and installations in newer and exotic metals, such as titanium, beryllium and nickel alloys.

A recent result of research is a new design of self tapping wood inserts useful for fibre and composition board, and for natural wood products. These inserts provide a sturdy thread, resistant to stress and shock. They are believed to have a bright future in the furniture business, since they may permit unit assembly at destination rather than at the factory.

Merger Conscious

Progress at Heli-Coil comes not only internally but by merger. In May of last year Heli-Coil bought Phelps Manufacturing Company a specialist in solid type expansion inserts. The Phelps' variety can be expanded after it is installed in a material. It makes possible faster and more effective installations in electric assemblies, and is particularly adapted to plastic products.

Actually, acquisition of Phelps was the latest in a series of mergers out of which Heli-Coil was built. The origin was Aircraft Screw Products Company in 1949. The name was later changed to Heli-Coil, then the business was acquired by Micro Path, Inc. (a subsidiary of Topp Industries, Inc.) and the present Heli-Coil Corporation (a Delaware corporation) was formed in 1958. Its securities were then offered for the first time to the public. In December, 1959, Heli-Coil acquired Grip Nut Company, pioneer manufacturer of lock nuts, by delivering, in exchange, 157,500 shares of its common shares. As the end result of all this corporate fusion Heli-Coil, today, owns a 40,000 square foot plant in Danbury, Conn. and the Grip Nut plant, 2½ times as big, in South Whitley, Ind. — a total plant and equipment investment of about $3¾ million.

Not only is Heli-Coil sophisticated in its research, merging, manufacturing and marketing, but it has gone in heavily for data processing for greater efficiency in inventory controls, and the careful analysis and classification of sales. As a result ratio of sales to inventory has measurably improved and the company keeps a very accurate gauge on the extent to which it is penetrating various markets.

Financial Status

We've talked enough about the structure and product of Heli-Coil. It's time to talk about earnings and the impact of coils on the cash register. In this department also, Heli-Coil has turned in quite a performance. On its own, Heli-Coil sales rose from $2,116,000 for the 12 months — ended Dec. 31, 1954, to $4,231,000 for the 12 months ended Oct. 31, 1959. In the same period net earnings increased dramatically from $40,000 for 1954 to $673,000 for the 1959 period. Giving effect to the Grip Nut merger, and combining results for 1960 (fiscal year ends April 30) sales were $8,190,000 up 20% over the preceding year, accompanied by a 21% rise in net earnings to $1,053,000.

Stockholders in Heli-Coil have fared well. The common originally offered at $15 a share has been split 2-for-1 and now sells at 34, equal to $68 on stock bought less than three years ago. The stock pays 60 cents today against 1960 per share net of $1.69.

Results for the first quarter of this fiscal year were slowed down by a sales change-over, by which a major distributor was replaced by the company's own sales force. This required repurchase of the distributor's inventory, which was charged against current earnings. Further, the Grip Nut division felt the effects of customer lag in inventory buying both as a result of the steel strike and because of lowered volume in the appliance business. Even allowing for these, 1961 results may show a profit expansion.

Taking a broad view Heli-Coil is the kind of company stock buyers get eager about these days. A young aggressive management, rapid expansion of sales, products modern as a count down, savvy research and way above average returns on invested capital—all these are the makin's of a growth company. There are 691,800 common shares listed on the American Stock Exchange, selling way below the 1960 high of 58¾.

Ralph Samuel Co. Admits Partners

Irving Lehman Straus and Murray L. Silberstein have been admitted as general partners of Ralph E. Samuel & Co., 2 Broadway, New York City, members of the New York Stock Exchange.

Mr. Straus, presently vice-president of the Energy Fund Incorporated and a director of WMCA, Inc., joined Ralph E. Samuel & Co. in 1956. Mr. Silberstein was president of Joselli Suits Inc., and was associated with Burnham & Co. before joining the Samuel firm in 1960.

The State of TRADE and INDUSTRY

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

In an article entitled "The Business Situation," the January *Monthly Review* of the Federal Reserve Bank of New York, points out that economic activity continued at a sluggish pace during November. This sluggishness has apparently led to a hesitancy in the spending plans of both producers and consumers. As a result, there appears to have been a further scaling-down of inventory levels, leading to some additional declines in industrial production and nonagricultural employment.

Not only have fourth-quarter outlays for plant and equipment been trimmed below the last estimate made by the Commerce Department and the Securities and Exchange Commission, but the reduction in capital spending is expected to continue at a somewhat accelerated rate during the first quarter of 1961. When the Commerce Department-SEC Survey was made in October and early November of 1960, it was estimated that plant and equipment spending in the third quarter had declined to a seasonally adjusted annual rate of $35.9 billion, $0.4 billion below the peak reached in the second quarter of 1960 and $1.6 billion below the planned outlays indicated in a similar survey made in the second quarter of the year.

It is now estimated that the fourth-quarter outlays were trimmed by another $0.3 billion. Significantly, while total plant and equipment spending of $35.7 billion would be almost 10% above the 1959 level, it would fall short of the 13% gain anticipated at the beginning of the year.

The curtailment in consumer intentions to purchase durable goods parallels the sag in capital spending plans. Consumer intentions to purchase automobiles and various appliances within the next six months, according to the October survey made by the Census Bureau for the Federal Reserve System, are substantially below those of October, 1959.

On the other hand this scaling-down of spending plans has brought about no sharp declines in sales. Retail sales in November remain virtually unchanged from October and a small decline in durable goods sales was offset by a similar rise in nondurables. While the volume of new car sales was slightly improved, the *Review* points out that an increase in the proportion of sales of compact cars and continued price reductions for used cars may have held down the dollar volume of car sales.

Manufacturers' sales declined gradually but steadily during November and new orders moved lower for the second consecutive month, reaching a new low for the year.

Industrial production declined further, the index slipping from 107% to 105% of the 1957 base, reflecting continued declines in metals, textiles, and construction materials as well as declines in some sectors of the consumer goods industries. Automobile production apparently declined somewhat more than seasonally in December.

Nonagricultural employment declined in November by about 100,000 persons to 52.9 million with about 60% of this cutback in manufacturing. In contrast to the sluggishness of domestic demand in the industrial sector, private housing starts in November maintained the improved October rate. United States exports showed continued strength through November.

Bank Clearings Up 0.7% for Week Ended Jan. 7

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Jan. 7, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 0.7% above those of the corresponding week last year. Our preliminary totals stand at $29,798,251,607 against $29,584,876,313 for the same week in 1959. Our comparative summary for the leading money centers for the week follows:

Week Ended Jan. 7—	(000s omitted) 1961	1960	%
New York	$17,098,278	$15,191,557	+12.6
Chicago	*1,350,000	1,505,368	—10.3
Philadelphia	1,066,000	1,255,000	—15.1
Boston	813,747	865,536	— 6.0

*Estimated.

Slight Rise in Steel Output Expected

A slight rise in the nation's steel ingot production is likely this week, the magazine *Steel* said on Jan. 9.

The metalworking weekly estimates that output last week rose

Continued on page 43

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has been comparatively quiet thus far this year. Since last writing the market has had no severe test although several rather king-sized undertakings were effected in the intervening period, details of which are noted below. The State of Connecticut had planned to scoop the new year's market by selling $28,980,000 serial general obligation bonds before other large issuers planned their early year borrowings. For technical reasons or otherwise the sale was abruptly cancelled. Subsequently, the sale was announced for Feb. 1.

Recent Awards

On Jan. 5, Fulton County (Atlanta), Ga. awarded $14,525,000 serial (1962-1987) general obligation bonds to the group headed by The Chase Manhattan Bank, The First National City Bank of New York, and the Trust Company of Georgia. The bonds were reoffered at prices to yield from 1.50% to 3.45%. About half of the bonds were out of account at press time.

An issue of $6,000,000 Toledo, Ohio School District (1962-1984) bonds was awarded on the same day to The First National Bank of Chicago, Blyth & Co., Inc., Harris Trust and Savings Bank group. Priced to yield from 1.70% to 3.25%, the issue met with considerable investor interest. The balance now totals about $1½ million.

On Monday of this week The Board of Commissioners of the Port of New Orleans, an agency of the State of Louisiana, awarded an issue of $17,000,000 serial (1966-1996) bonds to the group headed by The Chase Manhattan Bank and Ira Haupt & Co. These bonds are secured by specially dedicated revenues as well as by a pledge of the state's full faith and credit. The bonds were priced to yield from 2.40% to 3.90%. About half the issue has been sold out of account at last report.

On Tuesday, the Los Angeles, Calif., Unified School Districts and Junior College District awarded $30,000,000 serial (1962-1986) bonds to the group headed by the Bank of America, The Chase Manhattan Bank and the First National City Bank of New York. This powerful aggregation, which included Bankers Trust Co., Harris Trust and Savings Bank, Morgan Guaranty Trust Co., Blyth & Co., Inc., and many others, has accomplished a good job on initial reoffering. The issue is reported to be close to a sell out. In the face of $95,000,000 State of California bonds up for sale on the following day, this appeared as a good market omen. The coincidence of high credit rating and relatively generous yields has combined to attract tax-exempt bond buyers progressively to California and Los Angeles bonds.

Another California municipal issue, with better than average yield, met with favorable investor interest. A $1,070,000 Concord, Calif. sewer revenue (1962-1989) issue was awarded to the Blyth & Co., Inc. group. The bonds were scaled to yield from 2.25% to 4.15%. Most of the bonds were quickly sold out of account.

Other smaller new issues awarded on Tuesday were less eagerly sought by investors on first offering, possibly because of the lesser yields involved. The $1,449,000 Oyster Bay, New York Water Districts (1961-1985) issue awarded to Halsey, Stuart & Co., Inc., Blair & Co., B. J. Van Ingen & Co., Inc. and others met with only fair initial investor interest with about one-third of the bonds out of account. The bonds were priced to yield from 1.80% in 1962 to 3.65% in 1985. A $1,600,000 Washington County, Wis. issue (1962-1976) was awarded to White, Weld & Co. and associates. This high grade issue was priced to yield from 1.60% to 3.10%. About one-third of the issue is reported as out of account.

On Wednesday an issue of $1,830,000 Reading, Pa. serial (1963-1970) bonds was awarded to Kuhn, Loeb & Co. and associates. The bonds were priced to yield from 1.75% to 2.50%. This highly regarded credit fetched bids creating a new high market level for rare top quality bonds.

The Week's Big One

The State of California came to market again on Wednesday. This time it awarded $95,000,000 School Building Aid serial (1963-1987) bonds to the combined groups headed by the Bank of America, which includes most of the sizable bond underwriting banks and investment firms in the country. The bonds, priced to yield from 1.95% to 3.80% were very attractive to all manner of investors and oversubscription was assured.

As usual, the Bank of America management did well by the issuer, the underwriters and the investors. The way is thus prepared for the required market continuum for State of California bonds.

Yield Index Down a Bit

The *Commercial and Financial Chronicle's* high grade state and municipal bond yield Index indicates that the average market was off close to ⅜ of a point last week. This was largely brought about in anticipation of the necessarily realistic bidding for the large Los Angeles and State of California issues. The higher yields in these instances generated some moderate downward price revision. The Index today is 3.261% against 3.230% a week ago.

Dollar quoted revenue bond issues continue to do well. The *Smith, Barney & Co.* Toll Road Bond Index has changed but little over the past several weeks. On Dec. 22 the average yield stood at 3.85%; on Dec. 29 at 3.86% and on Jan. 5 (the last report) it stood at 3.84%.

More sinking fund buying for many of these term issues is anticipated in 1961. This category should generally do better than the market.

Inventory Static

The Street inventory condition continues about unchanged. As indicated by the *Blue List* the state and municipal bond total is $351,181,500 as of Jan. 11.

This figure is lower than it has been since mid-November and is not considered an unwieldy amount.

Heavy Business Ahead

The new issue calendar is heavy as is usually the case at this time of year. It has been reduced by the advent of the $95,000,000 California sale and the $30,000,000 Los Angeles, Calif. sale, but still totals in excess of half-a-billion dollars. There continues to be an absence of negotiated type issues ready for market.

During the current week consideration will be chiefly given to $63,450,000 State of New York (1963-2011) bonds, $30,000,000 State of Oregon (1976-1978) bonds and $11,000,000 Montgomery County, Md. (1962-1991) bonds all selling on Jan. 17. This variety of large new long term bond issues should thoroughly test the depth of the current tax-exempt investment demand.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.60%
Connecticut (State)	3¾%	1980-1982	3.30%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.35%	3.20%
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	3.30%	3.10%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.50%	3.45%
New York City, N. Y.	3%	1980	3.65%	3.50%

January 11, 1961 Index=3.2615%

Top Officers Named by Two Funds

Harry I. Prankard, 2nd has been elected Chairman of the Boards of Affiliated Fund, Inc. and American Business Shares, Inc. Formerly President of the two funds, Mr. Prankard will continue as Chief Executive Officer.

Albert R. Hughes, formerly Executive Vice-President, was elected President of the two companies. Robert S. Driscoll, formerly a Vice-President, was elected Executive Vice-President.

Prior to his assuming the presidency of the funds in 1946, Mr. Prankard was partner of a firm of certified public accountants. He served as Chairman of the Committees on Investment Company Accounting for both the American Institute of Accountants and the New York State Society of Certified Public Accountants. He is a Governor of the National Association of Investment Companies and a former Chairman of the Investment Companies Committee of the National Association of Securities Dealers.

Mr. Hughes has been in the investment business for the past 40 years. Prior to his becoming associated, in 1934, with the management of the two funds and the distribution of their shares, he was active in various capacities in the investment banking field. He is one of the early proponents of the investment fund movement in this country.

Mr. Driscoll has been in the investment management field for the past 26 years. Prior to his association with Affiliated Fund and American Business Shares in 1940, he was with an investment counsel firm handling individual accounts. Since 1949, he has been a Vice-President of the two funds and he spends his entire time on the management of their portfolios.

Bache Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C.—Allen S. Chandler has been added to the staff of Bache & Co., 108 West Market Street.

With Interstate Secs.

CHARLOTTE, N. C. — Ronda K. Bolick has joined the staff of Interstate Securities Corporation, Johnston Building, members of the Midwest Stock Exchange.

Common, Dann Branch

NIAGARA FALLS, N. Y.—Common, Dann & Co. has opened a branch office at 200 Hancock Building, under the management of Norman J. Creighton, Jr.

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. 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	1962-1990	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	1932-1986	9:00 a.m.
Montgomery County, Md.	11,000,000	1962-1991	11:00 a.m.
New York State	63,450,000	1962-2011	11:00 a.m.
Oregon	30,000,000	1976-1978	10:00 a.m.
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)			
Bergen County, New Jersey	1,967,000	1962-1979	Noon
Contra Costa County Water Dist., Calif.	12,840,000	1963-1996	11:00 a.m.
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.	20,600,000	1961-2000	Noon
Rapid City, South Dakota	1,500,000	1963-1981	2:00 p.m.
St. Louis County, Mo.	2,447,000	1962-1981	11:00 a.m.
Ulysses, Etc., Central Sch. Dist., No. 1, New York	1,200,000	1962-1990	2:00 p.m.
Van Wert City Sch. Dist., Ohio	1,920,000	1962-1984	Noon
Jan. 19 (Thursday)			
Hoosick, Pittsford, Petersburg, Grafton and White Creek School District No. 1, N. Y.	2,440,000	1961-1989	2:00 p.m.
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. 23 (Monday)			
Maricopa Co., Washington Elem. Sch. Dist. No. 6, Ariz.	1,239,000	1962-1973	11:00 a.m.
Jan. 24 (Tuesday)			
Alamance County, North Carolina	1,700,000	1962-1978	11:00 a.m.
Evansville Waterworks Dist., Ind.	2,400,000	1963-1982	1:30 p.m.
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.
West Hartford, Conn.	2,350,000	1962-1981	2:00 p.m.
Jan. 25 (Wednesday)			
Allegheny Co. Sanitary Authority, Penn.	1,500,000	1962-1981	11:30 a.m.
Howell School District, Mich.	1,250,000	1963-1986	7:30 p.m.
Islip & Smithtown School District No. 6, New York	1,579,000	1962-1979	11:00 a.m.
Lake Charles, La.	1,000,000	1963-1986	10:00 a.m.
Mobile Board of Water and Sewer Commission, Ala.	3,000,000	-------	-------
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	1962-1982	12:30 p.m.
Jan. 30 (Monday)			
Madison, St. Clair Counties Com. School District No. 10, Mich.	1,500,000	1961-1979	8:00 p.m.
Saginaw, Mich.	4,832,000	1962-1986	7:30 p.m.
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.
San Dieguito Union High School District, Calif.	1,500,000	-------	-------
Feb. 1 (Wednesday)			
Connecticut (State of)	28,980,000	1964-1989	11:00 a.m.
Feb. 2 (Thursday)			
Bay City Indep. School District, Texas	1,200,000	-------	-------
King County, Highline Sch. Dist. No. 401, Washington	1,415,000	1963-1981	11:00 a.m.
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	-------	-------
El Segundo Sch. Dist., Calif.	2,750,000	1962-1981	9:00 a.m.
Feb. 9 (Thursday)			
Minneapolis Spec. Sch. Dist., No. 1, Minn.	2,000,000	-------	10:00 a.m.
Feb. 14 (Tuesday)			
Monroe, La.	1,675,000	1962-1981	10:00 a.m.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Annual Review and Forecast for 1961—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a circular on the **Air Lines** with particular reference to **United Air Lines** and **TWA**, and an analysis of **Lehn & Fink Products Corp.**

Bond Market — Discussion — New Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Canadian Convertible Issues—Report—Kippen & Co., Inc., 607 St. James St., West, Montreal, Que., Canada.

Canadian Dividend Paying Common Stocks—Comparative figures — Greenshields & Co., Inc., 64 Wall St., New York 5, N. Y.

Electric Power & Light Companies — Comparative figures on the large companies—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Five Stocks for 1961—Reports on **Armour & Co., Boeing Airplane Co., E. J. Korvette, Inc., Metro Goldwyn Mayer Inc.**, and **Spiegel, Inc.**—Eastman, Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y.

Gold Stocks—Review of 24 issues, with a resume on **Base Metals, Oil & Gas Issues** and **Uraniums** — Draper Dobie and Company Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

High Yielding Railroad Bonds — Report — Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a study of **Hunt Foods & Industries.**

Indian Stock Market — Review — Harkisondass Lukhmidass, 5 Hamam St., Bombay, India.

Industry Survey 1961 — Analysis — Hemphill, Noyes & Co., 15 Broad St., New York 4, N. Y.

Investment Suggestions for 1961 —Circular—F. P. Ristine & Co., 15 Broad St., 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—Annual review —Yamaichi Securities Co., of New York, Inc., 111 Broadway, New York 6, N. Y. In the same publication is an analysis of the Japanese **Heavy Duty Electrical Equipment Industry.**

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 Review & Outlook—Survey—Edwards & Hanly, 100 North Franklin St., Hempstead, N. Y.

New Railroad Systems in the Making—Discussion—Sartorius & Co., 39 Broadway, New York 6, N. Y.

New York Bank Stock—Bulletin on leading New York City Banks —Laird, Bissel & Meeds, 120 Broadway, New York 5, N. Y.

Normal Value for Stock Prices— A realistic concept — Analysis — Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also avaiable is a memorandum on **Hallicrafters.**

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.

Portfolios — Three in different categories—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Quaker Oats Co., Standard Oil Company of New Jersey, Eastman Kodak Co., Northrop Corp.**, and **Electric Utilities.**

Printing and Publishing Industry —Survey—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y.

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

Selected Stocks—In current issue of ABC Investment Letter — Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y.

Steel Industry—Special report in "Investornews" — Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. In the same issue are brief reports on **Atlantic Refining, Boeing Airplane** and **S. W. White Dental.** Also available are memoranda on **St. Lawrence Corp.** and **Mountain Fuel Supply.**

Ten Largest Banks in New York City — Comparative figures — Bankers Trust Co., 16 Wall St., New York 15, N. Y.

Ten Stocks for Capital Gains—Brief Reports on **Aerojet General, American Express Co., Arkansas Louisiana Gas Co., Atlantic Co., Bobbie Brooks, Parke, Davis, Stop & Shop, H. I. Thompson Fiber Glass Co.** and **Western Auto Supply** — Carreau & Co., 115 Broadway, New York 6, N. Y.

Toy Industry—Analysis with particular reference to **Eldon Industries, Mattel Inc.**, and **Remco Industries Inc.**—Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif. Also available is a discussion of **Bond Investments for Individuals.**

Year End Bond Survey—Discussion—Halsey, Stuart & Co., Inc., 35 Wall St., New York 5, N. Y.

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Aerojet — Review in December-January issue of "American Investor" — American Stock Exchange Investor, 86 Trinity Place, New York 6, N. Y.—15 cents per copy; $1.00 per year. Also in the same issue are articles on **Prentice-Hall, Gold, Consumer Credit for Underdeveloped Nations, R. C. Williams & Co.**

American Biltrite Rubber Co. — Memorandum — Cruttenden, Podesta & Co., 209 South La Salle St., Chicago 4, Ill. Also available is a memorandum on **Obear Nester Glass Co.**

American Can — Data — Gerstley, Sunstein & Co., 211 Broad St., Philadelphia 7, Pa. Also available are data on **American Viscose** and **Central Electric & Gas.**

American Investment — Data in current issue of "Shields Survey" —Shields & Co., 44 Wall St., New York 5, N. Y. In the same issue are data on **Columbia Gas System, Dentists Supply** and **Simplicity Pattern.** Also available is a memorandum on **Wilson & Co.**

Beech Nut Life Savers, Inc. — Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Borman Food Stores — Memorandum—Jas. H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

California Electric Power Co. — Memorandum—Dallas Union Securities Co., Adolphus Tower, Dallas 2, Texas.

City of Louisville—School Building Revenue Bonds — Circular — The Kentucky Co., 320 South Fifth Street, Louisville 2, Ky.

Clark Equipment — Report — Gerald S. Colby, 31 Milk St., Boston 9, Mass. Also available is a report on **Pittsburgh Metallurgical.**

Coastal States Gas Producing Co. — Analytical brochure — Blair & Co., Inc., 20 Broad St., New York 5, N. Y.

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

Crown Cork & Seal—Memorandum—Sutro Bros. & Co., 80 Pine St., New York 5, N. Y. Also available is a memorandum on **Pillsbury.**

Del Electronics—Report—Bruno-Lenchner, Inc., Bigelow Square, Pittsburgh 19, Pa.

Dominion Stores Limited—Data—Equitable Securities Canada, Ltd., 60 Yonge St., Toronto 1, Ont., Canada. Also available are data on **Canadian Breweries Ltd.** and **Interprovincial Pipe Line Co.**

Fluor Corp. — Review — Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

Food Machinery & Chemical Corp. —Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available are reports on **Market Basket, Jim Walter Corp.** and **Smith-Corona Marchant.**

Giant Yellowknife Mines—Memorandum—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

W. R. Grace & Co.—Analysis—Robert Garrett & Sons, Garrett Building, Baltimore 3, Md.

Gro Rite Shoe Co.—Memorandum —American Securities Co. Liberty Life Building, Charlotte 2, N. C.

Growth Capital Inc. — Memorandum — McDonald & Co., Union Commerce Building, Cleveland 14, Ohio.

Hallicrafters Co.—Memorandum—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available is a memorandum on **La Cross Cooler.**

Hathaway Instruments — Memorandum — Adams & Peck, 120 Broadway, New York 5, N. Y.

Hawaiian Telephone Co.—Memorandum — Eppler, Guerin & Turner, Fidelity Union Tower, Dallas 1, Texas. Also available is a memorandum on **Investors Diversified Services, Inc.**

Hooker Chemical—Data on January "Investment Letter"—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. In the same issue are data on **Gould National Batteries** and **U. S. Borax.** Also available are analyses of **J. W. Mays, Inc., Bar Chris Construction Corp., Anelex Corp.**

Hussman Refrigerator Company—Analysis — Shearson, Hammill & Co., 80 Pine St., New York 5, N. Y. Also available are memoranda on **Random House, H. I. Thompson Fiber Glass, New York Central** and **American Greetings.**

Leeds & Northrup — Analysis — Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa.

Lone Star Cement Co.—Memorandum—R. W. Pressprich & Co., 48 Wall St., New York 5, N. Y.

Louisville Gas & Electric Co.—Review—J. J. B. Hilliard & Son, 419 West Jefferson St., Louisville 2, Ky.

Marine Petroleum Trust & Tidelands Royalty Trust "B"—Report —Carothers & Co., Inc., Mercantile Bank Building, Dallas 1, Texas.

Maytag Company — Analysis — American Institute of Management, 125 East 38th St., New York 16, N. Y.

Metal Hyrides — Memorandum — J. B. Maguire & Co., Inc., 31 Milk St., Boston 9, Mass.

Multi-Amp Electronic Corp. — Analysis—G. Everett Parks & Co., Inc., 52 Broadway, New York 4, N. Y.

Murphy Corporation — Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y.

Northern Illinois Gas Co.—Memorandum—Bacon, Whipple & Co., 135 South La Salle St., Chicago 3, Ill.

Nucleonic Corporation of America —Analysis—Bertner Bros., 63 Wall St., New York 5, N. Y.

Oil Recovery Corporation—Report — Warner, Jennings, Mandel & Longstreth, 121 South Broad St., Philadelphia 7, Pa.

Pitney Bowes—Analysis—Cohen, Simonson & Co., 25 Broad St., New York 4, N. Y.

Radio Shack — Memorandum — Granbery, Marache & Co., 67 Wall St., New York 5, N. Y.

Republic Corp.—Analysis—Quail & Co., Inc., Davenport Bank Bldg., Davenport, Iowa.

Ryder Systems Inc. — Memorandum — Oscar E. Dooly & Co., Ingraham Building, Miami 32, Florida.

Safeway Stores—Review—Fahenstock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Canada Dry Corp.**

San Diego Gas & Electric Co.—Report—Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

O. M. Scott & Sons—Discussion—Stearns & Co., 72 Wall St., New York 5, N. Y. Also in the same circular are discussions of **Chance Vought, Guerdon Industries, Peterson Electronic Die, Futterman Corp., Anaconda Copper, Magma Copper**, and the **Steels.**

John Sexton & Co. — Report — Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis.

Singer Manufacturing Company—Study—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Sisters of St. Joseph of Wichita, Kansas St. Rose Hospital—Circular—B. C. Ziegler and Company, Security Building, West Bend, Wis.

Spartans Industries — Memorandum—Ross & Hirsch, 120 Broadway, New York 5, N. Y.

Strategic Materials — Memorandum—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad St., Philadelphia 9, Pa.

Tenney Corporation — Analysis — Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

Tex-Star Oil & Gas Corp. — Analysis — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Trans World Financial Co. — Analysis—Stanley Heller & Co., 44 Wall St., New York 5, N. Y.

Union Texas National Gas — Analysis — Goodbody & Co., 2 Broadway, New York 4, N. Y.

United Aero Products Corp. — Analysis—Street & Co., Inc., 44 Wall St., New York 5, N. Y.

U. S. Fidelity & Guaranty — Analysis—Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Western Union—Report—Purcell & Co., 50 Broadway, New York 4, N. Y.

Finney V.-P. of National Securities & Research

CHICAGO, Ill. — H. Ross Finney has become associated with National Securities & Research Corporation as Resident Vice-President in Illinois, making his headquarters at the Chicago office, 208 South La Salle Street. Mr. Finney was formerly a Vice-President of Putnam Fund Distributors, Inc.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

President-elect Kennedy is in for some close scrutiny of several of his Cabinet appointees. He has named so many Harvard men, advertised for their brilliancy, that it has tended to obscure the more controversial ones.

Such a one is Bobby Kennedy, named to the post of Attorney General. He has never had a private law case in his life. Senator Dirksen, of Illinois, the minority leader of the Senate, stated on Meet the Press, Sunday night that the youngster would be scrutinized very closely as to his competency. Nepotism will not play a part in it, he said. So far as the public knows, the only law experience young Kennedy has ever had was when he worked for the celebrated McCarthy Committee and later for the McClelland Committee.

Republican Senators frequently complained about his tactics on the McClellan Committee. No rules of evidence were followed. The youngster had already had a thorough investigation made of the witness and he used the Committee hearings to make public what he had found out. He went overboard to protect Walter Reuther, so much so that the Republicans on the Committee made a report on it. In a subsequent book "Enemies Within," Kennedy gave Reuther a clean bill of health. As a result, Reuther supported brother Jack's Presidential candidacy and spent several hundred thousand dollars in doing so.

The Kennedys' whole campaign on the McClellan Committee—Senator Kennedy was a member and backed up his brother whenever he was in trouble was to prosecute Jimmy Hoffa. As a matter of fact young Kennedy bet money that Hoffa would be convicted of the charge of passing money to an itinerant lawyer When Hoffa was acquitted Bobby saw red.

Innumerable cases were passed on to the Department of Justice by the McClellan Committee, not a one of which was ever proceeded against by the department. Jack Kennedy made this criticism of the department in the campaign but the department replied that because of the procedure followed by Bobby Kennedy there was no case to proceed upon. This was the criticism of observers.

Bobby Kennedy will probably be confirmed in the final analysis but in the process his face will be made red.

The second one to get a thorough going over is Robert Weaver, the Negro appointed to the head of HHFC, the vast housing agency. His nomination goes before the Senate Banking and Currency Committee of which Senator Robertson of Virginia, is Chairman, and Senator Sparkman of Alabama, is Chairman of the Housing Sub-committee. Weaver has gotten himself in hot water by announcing that all Federal housing must be integrated. Inasmuch as nearly all construction of houses nowadays is done under Federal Housing Administration financing it can be seen how wide-sweeping is this decision. Southerners are not liable to take it lying down.

Weaver is an official of the National Association for the Advancement of the Colored people. To use his new position as a vehicle for carrying on his crusade for equal rights between the races is going to be challenged.

The third man to come into controversy is Governor Orville L. Freeman of Minnesota, who is a lame duck. Freeman admittedly knows nothing about the farm problem, although he comes from an agricultural state. None of the farm leaders, except, perhaps, the leadership of the National Farmers Union, a leftist organization, are happy about his appointment.

In 1959 Local No. 6 of the United Packinghouse Workers was striking against Wilson and Co., a meat packing plant of the small town of Albert Lea, 100 miles from Minneapolis.

The company tried to operate with nonunion workers. The Union retaliated with violence—mass rock throwing, violence to cars, and even visits to the homes of the nonstriking workers. The company got an injunction in the District Court against mass picketing and violence. Governor Freeman called out the National Guard but not to enforce the court's order but to tell Wilson and Co. that it had to close its plant. A Federal Court sharply rapped the Governor saying he should have called out the Guard to enforce its decree, not to close the plant. The court held that the company had a perfect right to hire nonunion workers and keep its plant running during the strike.

Harrison, Newell Named to Fund Bd.

Randolph C. Harrison and G. Sealy Newell have been named Directors of Institutional Shares, Ltd. and Institutional Income Fund, Inc., 85 Broad Street, New York City, according to an announcement by Samuel R. Campbell, President.

Mr. Harrison, who retired as senior Vice-President of The Hanover Bank in 1958, is Chairman of the Board of Huyck Corp., a board member of the Putnam Trust in Greenwich, Conn., and has been serving as Chairman of the Foundations Committee for Lincoln Center for the Performing Arts.

Mr. Newell, a Vice-President of Institutional Shares and the Institutional Income Fund, is also a director of Managed Funds, Inc. in St. Louis, and Vice-President of Channing Corp. Prior to joining the organization in 1960, Mr. Newell specialized in trust work in the banking field.

Casper Rogers Co. In New Quarters

Casper Rogers & Co., Inc., underwriters and dealers in investment securities, announce the removal of their offices to 80 Pine Street, New York City. The newer, larger quarters will include a private placement department, enlarged syndication and research departments and an expanded sales department. The firm will have direct wires to Los Angeles and San Francisco.

An Investment Policy Needs More Than Market Outlook

By August Huber, *Partner, Spencer Trask & Co., New York City*

Wall Street partner offers a conservative and selective approach to investment policy which would leave about 40% in fixed income securities and the balance in common stocks. Reviewed are the current forces and prospects affecting the market, the dilemma of unemployment at home and adverse balance of payments facing the new Administration, and the writer's conclusions as to what should and will be done to resolve this dilemma by way of fiscal and monetary policy. Mr. Huber reminds us that the present price-earning figures of 19 times earnings usually associated with boom periods is higher than, for example, that in 1956; explains why the long-range upward trend does not warrant being fully invested in common stock today; and philosophically warns not to expect the logical in human conduct.

The figures 1961 come out the same upside down as right side up. The problems associated with forecasting this year's business and market trends are thus made no less hazardous.

August Huber

The stock market generally extended the interim recovery movement during the past week. This performance occurred in the face of continuing unfavorable domestic business news and mounting difficulties in Cuba, Laos and almost wherever else one may almost indiscriminately stick a pin in a map.

One of the best tonics for speculative and investment sentiment is a rising market. For a while, at least, an advance can feed upon itself, helped by technical considerations while deriving nourishment, too, from the anticipation of an improved economic trend.

The recent market improvement has been stimulated by an apparently growing acceptance of the view that:

(a) the present recession should bottom out during the first half of 1961, and,

(b) be followed by rising tendencies and higher corporate profits during the final portion of the year.

This expected pattern of economic activity may very well develop. The result, marketwise, could be that the relatively poor earnings to be shown by many companies for the first half of 1961 may be largely ignored as speculative and investment sights are focused on the later anticipated improvement. Under such conditions, the present interim irregular recovery movement in stock prices could carry somewhat further.

The test period may come later, when stock prices will require a stouter reed to lean on. Unless business activity and corporate earnings do show the improvement now being more generally anticipated, stock prices would be then subject to readjustment.

The market recently appears to have been reflecting a growing view that the new Administration will actively move to counteract present recessionary trends.

During past recessions, subsequent economic recoveries were stimulated by (a) policies of easier money; (b) government spending and consequent Federal budget deficits; (c) increasing the money supply; (d) lowering interest rates to encourage borrowing; (e) fostering increased housing activity, etc.

Already, defense spending is rising and will increase further this year; the Federal Reserve Board had instigated an easier credit policy some months ago and the money supply has grown; trial balloons have recently been sent aloft by the incoming Administration regarding (a) an anti-slump tax cut plan up to 20% on the lowest income groups, and (b) suggestions of stimulating business investment through more liberal depreciation methods.

Lower taxes and increased spending are translated quickly and substantially into government deficits. This combination obviously brings with it the spectre of renewed so-called "inflation."

The New Administration's Dilemma

Today, inflationary policies tend to run up against the problem of our foreign balance of payments and the gold drain. The substantial volume of liquid dollar balances held in the U. S. for foreign accounts would be susceptible to accelerated conversion and withdrawal if confidence in the value of the dollar were undermined.

The dilemma briefly is this:

(a) the basic economic and monetary moves the U. S. could make to stimulate domestic business activity would tend to be inflationary and thus lessen confidence in the dollar, while in contrast;

(b) the economic and credit devices the United States would require to alleviate the "foreign balance of payments" problem are fundamentally deflationary.

To maintain confidence in the dollar and restrain foreign holders of dollars from withdrawing and/or converting dollars into gold the United States:

(a) should not reduce interest rates too far relative to those available in European money centers;

(b) should not go too deeply into the red on the Federal budget through excessive spending or tax reductions, and

(c) should not actively promote the trend toward higher wage costs and consequent price increases for American goods in world markets, etc.

What is to happen? The new Administration will be striving to furnish a rejuvenated leadership. How the fundamental problems confronting us are to be solved is difficult to predict since the apparent courses open to us are:

(1) Artificial government economic stimulants through liberal spending and credit policies with a risk to the dollar, gold and our position as world banker, or

(2) Allow the economic maladjustments, which still exist, to be corrected through the normal course of events — and natural economic laws — until a business upturn can materialize from a healthier and firmer base.

The latter procedure, since it would apparently be too slow and involve a temporary period of even greater unemployment, is not the one the new Administration is likely to follow. Rather, considering the make-up of the Administration and its pre-election platform, what may be expected is a host of economic nostrums and machinations, most of which have been tried—in one form or another—in the past. Initially such policies can stimulate business and stock prices. Most strong stimulants, inducing artificial well-being for a time, unhappily have a less than pleasant aftermath.

Investment Policy

Considering all the ramifications of the factors already discussed, and the questions raised, I believe a selective and conservative investment policy is still to be pursued.

The stock market—when viewed as a whole—remains priced in a relatively high area from the standpoint of yields and earnings.

Measured by the Dow-Jones Industrial Average, earnings of about $33.00 per share for 1960 are around 19 times the present price level of 620. This figure of 19 times earnings represents an earnings capitalization rate usually associated with boom periods. (In 1956 earnings were the same as in 1960 or $33.34 per share and the Dow-Jones Industrials ranged between 521 and 462.)

Earnings for the first half of 1961 are likely to run **under** those shown in the initial six months last year. Some uptrend is expected later, but for 1961 as a whole, earnings generally are not now expected to vary a great deal from the 1960 results.

Yields of common stocks, on the average, are still about 3½% compared with 4½%, and better, on higher quality fixed income investments. Since overall earnings for 1961 do not promise much improvement, current dividend rates are not likely to be increased more than nominally on the average.

My basic investment policy, for well over a year now, has called for a portion of funds in fixed income securities and a balance of 60% or so in common stocks, the proportion depending on the type of investment account.

This type of proportionment or balanced portfolio, not only enables participation in an upside market and limits risk during a decline but also provides steady income and buying reserve for a greater proportion of equities when conditions for such a realignment are more propitious.

The question may, of course, be asked—why not be fully invested in common stocks since the long-range trend appears upward? This may be the thing to do and it may work out that way. However, intermediate risks and considerations must also be weighed by the prudent investor. For example:

(1) The market is still priced high relative to earnings;

(2) Earnings still have been trending downward with pressures on profit margins (although betterment is expected later this year, they will be lower meanwhile);

(3) Corporate earnings have not grown with the overall economy during recent years;

(4) Common stock yields are still historically low;

(5) Political and military crises and uncertainties in virtually all parts of the world;

(6) The economic and foreign policies of the new Administration are not yet clear;

(7) Labor policies in 1961—with automobile industry contracts to be negotiated later this spring.

It is thus apparent why I continue to advocate a conservative approach to investment policy. It is usually best not to expect the logical in human conduct — and the stock market is highly sensitive to varying human emotions. If often advances when underlying indications suggest it should decline, and vice versa.

Briefly, I would continue a policy of retaining adequate buying reserves for utilization at a later date, depending upon future economic and market developments. As I have pointed out in previous published advices, investment opportunities must be sought in selected, individual issues—which are usually available on a relative merit and price basis—apart from the general market trend.

N. Y. Analysts Meeting

The New York Society of Security Analysts will hold a meeting Jan. 13 at 12:15 p.m. at 15 William St., New York City. Maurice L. Stonehill, President of the Jeannette Glass Co. will be guest speaker.

Seminars on the Meaning of Money

Ira U. Cobleigh, Enterprise Economist and columnist for the *Chronicle*, will serve as a member of the "faculty" during a series of seminars designed to teach non-financial business executives the meaning of money as reflected in such terms as "costs, revenues, profits, cash flows and return on investments." The day-long seminars will be held at the Barbizon-Plaza Hotel, New York City, Jan. 23 through Jan. 27, and from Feb. 6 to Feb. 10. Founder and Chairman of the seminar program is Wilson Seney, former Dartmouth professor, and presently a New York City management consultant.

Ira U. Cobleigh

Other members of the "faculty" are: Ronello B. Lewis, financial management consultant and former partner in E. F. Hutton & Co.; John McCambridge, comptroller of American Can Co.; Raymond I. Reul, coordinator of industrial engineering of Food Machinery and Chemical Corporation; Frank M. Brettholle, comptroller of the H. J. Heinz Co.; and W. Joseph Littlefield, research director of the Controllers Institute Research Foundation and formerly controller for financial analysis of Johns-Manville Corporation.

Hemphill, Noyes to Admit Partners

Hemphill, Noyes & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, on Jan. 19 will admit John F. Detmer, Harold E. Deuel, Thor W. Kolle, Jr., Robert W. Sharer and Pearce D. Smith to partnership.

Mr. Detmer is associate manager of the Chicago office, 209 South La Salle Street. Mr. Deuel is resident manager in the Albany office, Ten Eyck Building.

CORRECTION

In the *Financial Chronicle* of Dec. 29 in reporting the formation of Vickers Securities Corporation it was indicated that all the officers had previously been associated with Merritt Vickers Inc. We are informed that only Burton Teague was with Merritt Vickers in the capacity of registered representative.

Sterling's Performance Previewed for New Year

By Paul Einzig

Short but comprehensive analysis of sterling's prospects ends on a pessimistic note. Though a strengthening of the dollar would cause sterling to soften, Dr. Einzig explains why a resultant decline in the British gold reserves could be a blessing in disguise. The writer avers sterling's strength has been overestimated, and attracts damaging wage claims by labor. Barring a run on the dollar, sterling is expected to run into difficulties as "hot money" leaves and the far from satisfactory balance of payment shows no sign of improvement.

LONDON, England. — Although sterling is usually firm after the turn of the year there is no sign so far of any seasonal firmness this year. To some extent at any rate the absence of seasonal firmness is due to the absence of seasonal weakness in the autumn when pressure on commercial account, accentuated as it was by the deterioration of the balance of payments, was more than counteracted by the influx of "hot money" from New York. Since the pendulum did not swing to the left there is no reason for it now to swing to the right. That is not the whole story, however. It seems probable that some of the hot money at any rate is now being withdrawn from London. This at any rate is indicated by the figures of the gold and dollar reserve for December.

Detects Gold Loss to Support Sterling

Although there was a net increase in the gold reserve, this was entirely due to the receipt of dollars from the Ford transaction. A large part of the dollars derived from this exceptional payment was used for the payment of the annual instalment on the debt to the United States and Canada, and for a capital payment to the International Monetary Fund.

Even allowing for these items, the net increase in the reserve was materially less than the balance of the receipt from the Ford transaction. This seems to indicate that during December the authorities lost gold by supporting sterling. As a general rule they often intervene long before the dollar rate reaches the support point of $2.78, but this time they must have intervened even before the rate declined below par. Presumably they deemed it worth their while to spend dollars for the sake of avoiding the psychological effects of such a decline. Their reasoning is sound because the chances are that they would have had to part with many more dollars if they allowed sterling to decline below par.

The attitude of most overseas holders of "hot money" in London is not affected, however, by the level or tendency of the spot rate. By far the greater part of the funds transferred here from New York last year represented covered interest arbitrage transactions. There has been no significant change in the profit margin on such transactions, and there have been no indications of any withdrawals of arbitrage funds on a large scale, beyond temporary end-of-year withdrawals for window-dressing purposes.

On the other hand there must have been a certain amount of transfer to New York of uncovered balances, owing to the more favorable view taken about the immediate prospects of the dollar. So far pessimistic expectations of a run on the dollar in case of a Democratic victory have not materialized — which does not of course mean that the danger is over. It does mean that the dollar has weathered the awkward two months' "interregnum" remarkably well. But its more distant fate will depend on the policies of the new Administration.

Since the weakness of the dollar was the main source of sterling's strength in 1960, sterling's prospects for 1961 largely depend on the dollar's prospects. If, as a result of soft money policy or New Deal legislation, there should be a dollar crisis or a series of dollar scares, sterling would benefit by the weakness of the dollar. Should, however, the new Administration pursue a policy that would allay fears about the dollar, sterling would have to be judged on its own merit.

A firm dollar would mean an appreciation of the forward dollar, and this would make it unprofitable to continue to leave in London funds transferred here through covered interest arbitrage. Their withdrawal on a large scale would weaken the British reserve position, and this in turn would give rise to pessimism about sterling's prospects.

In any case the British balance of payments is far from satisfactory and shows no signs of improvement. The resumption of the rise in the cost of living, after its prolonged stability, together with the setting up of wage demands are tendencies which foreshadow growing difficulties in maintaining and increasing exports. Unless these tendencies can be brought to a halt sterling is in for a difficult year. Its difficulties were concealed last year by the influx of hot money. Once that flow becomes reversed, or even if it ceases—as indeed it has already ceased—the influences making for weaker sterling will produce their effect. Their suppression as a result of a weakness of the dollar last year was indeed a doubtful blessing. In the long run it is the basic facts of the British economy that count.

False Picture Encouraging Wage Demands

It seems reasonable to believe that the false picture of sterling's strength in 1960 went a long way towards encouraging wage demands and weakening resistance to them. In face of a steadily growing gold reserve it was difficult to resist the pressure which has ended in undermining the stability of the domestic price level. Quite conceivably a decline in the gold reserve would be a blessing in disguise, in that it would make British opinion realize that last year's wages spree and spending spree was financed with money borrowed from abroad.

The worst of it is that any measures to strengthen sterling would now encounter even more opposition than in 1947 owing to the moderate setback in some industries. Although the economy as a whole is still fully employed the psychological effect of local unemployment in some industries will make it difficult for the government to resort to hard money measures which would inevitably accentuate the setback. Of course it would be quite unrealistic to hope that the trade unions themselves could be made to realize the need for self-restraint for the sake of obviating the necessity for hard money measures.

Taking everything into consideration it seems that, barring a run on the dollar, sterling's prospects this year must be viewed pessimistically rather than otherwise.

Buy Control of French TV Mfr.

The sale of a controlling interest in Schneider Television - Radio, leading French manufacturer of radio and television equipment, to a U. S.-French syndicate headed by Burnham & Company, 15 Broad Street, New York City has been reported and confirmed by I. W. Burnham II, senior partner of the firm.

Shares of Schneider Television-Radio, previously a privately held company, were introduced on the Paris Stock Exchange on Nov. 25, 1960.

"It is a rare occurrence for American capital to seek out a privately held French company and to be cognizant of its enormous growth potential," writes *Agence Quotidienne* (Paris financial newspaper). "The success of the introduction of Schneider has confirmed public confidence in the future of this company. Hence, the amount of Schneider stock made available to the public at the time of the introduction proved to be far short of the demand. It took four days following the introduction of the stock before trading could be opened at 407 new francs, as against the introduction price of 385 new francs."

(At the official rate of exchange one New Franc equals 20.41c.)

"The market in Schneider has currently stabilized around the level of 615 New Francs," the French newspaper adds. "The situation of the television market in France and the position of Schneider in this market account for the interest of the public and the Burnham-Nash group in the stock."

E. I. Hagen Adds

PORTLAND, Oregon — Walter Bryson has been added to the staff of E. I. Hagen & Co., Inc., American Bank Building.

Krayer Sr. V-P of Janney, Battles

PHILADELPHIA, Pa. — Janney, Battles & E. W. Clark, Inc., 1401 Walnut Street, members of the New York Stock Exchange and other leading exchanges, announce that Frederick A. Krayer has been elected a senior vice-president of the firm.

Customers Brokers to Hear

The Association of Customers Brokers on Jan. 18 will hold a special stock market forum at the New York Society of Security Analysts, 15 William Street, New York City. Speakers will be Edward Tabell, Walston & Co. Inc., and Sidney B. Lurie, Josephthal & Co.

The uptown meeting will be held at the offices of Hayden, Stone & Co., 400 Park Avenue at 54th Street.

This Year Will Reverse '60's Figures and Sentiment

By Paul T. Babson,* President of United Business Service, Boston, Mass.

Mr. Babson predicts 1961's business and finance figures will not vary widely from those of last year in positing a business upturn next spring. In covering many specific forecasts about the different parts of the economy, he judges the F. R. B. index of production will reach a low of 103 in the first quarter and recover to around 110 by year-end—the same figure in 1960 but a reversed pattern. As for the financial and investment picture, Mr. Babson suggests the Dow-Jones Industrial Average will range between 570 and 685, and expects "growth" and "science" flavored stocks will show the widest gains, particularly in the defense, office automation, convenience foods, medical-hospital supplies, and leisure time fields.

I feel that the current period of business recession has somewhat longer to run—but not a whole year by any means. We anticipate a turn for the better sometime in the spring—it could come as early as February or March or it might drag along toward mid-year, but we believe April or May is a more likely date for the turn.

Paul T. Babson

In any case, we expect a sort of "saucering-out" at the bottom of this decline rather than the sharp reversal which occurred in the spring of 1958.

From then on we forecast a moderate uptrend through the balance of the year with most of the "highs for the year" coming in the fourth quarter.

This is almost an exact reversal of what has happened in 1960—with the business highs coming in Jan.-Feb. and the trend running steadily downward throughout the balance of the year.

Thus when we come to forecast the movements of the F.R.B. Index of Industrial Production for 1961, we say, "A Low of around 103 in first quarter and recovery to around 110 by the year end—with the average for the year about 107." Again—total or average figures practically the same as last year, but the pattern completely reversed.

Before getting into our individual forecasts covering specific business and investment items, I feel I should comment briefly on what might be termed the surrounding atmosphere — both in this country and over the world.

We will of course have a whole new political Administration here in the U. S. A.—with not merely a "change of President and Party" but with a whole new group of men heading up the tremendously important administrative departments of our government.

Personally, I feel that Mr. Kennedy's Cabinet and other appointments have been rather good—A few names that make some of us staunch Republicans cringe a little—but on the whole, a group of pretty capable people.

Predicts Middle-Road Administration

Some may recall my forecast last year that the next administration would be basically "middle-of-the-road" regardless of which party label it carried. I still believe that to be true, and if some of you are about to quote certain passages from the Democratic Party platform to prove that I am wrong, I can only say, "Let's wait and see."

The world-wide picture is considerably less happy than our domestic scene. While there may be a sort of Honeymoon period of rapprochement so far as Mr. Khrushchev is concerned, I doubt if it will last very long when Russia's "Mr. K" finds that he can't have his own way with our "Mr. K."

I am not saying that there is no hope for improvement in our relations with Communist Russia in 1961, but I am saying that the causes of the "Cold War" are far too deep-seated to expect any very notable progress in one year's time.

Over the rest of the world the outlook is far from good. Africa is a seething caldron from which most anything might come. Cuba is a festering sore, so close to Central and South America that infection can easily spread. I doubt if Castro will last out the present year, but who and what will follow him is anyone's guess.

South America is far from stable either politically or economically. Some added U. S. dollars can and probably will help, but money alone can't solve all their problems. Great patience and wisdom will be called for in dealing with our Latin American neighbors in 1961.

So—the world-wide atmosphere must be rated as "far from satisfactory" as we enter the new year. In making our business and investment forecasts, therefore, we have assumed a full continuation of the Cold War and recurring crises in various parts of the world—but no World War III.

Now to our specific Forecasts for the coming year. Let's start with Automobiles and Steel—two bellwether industries.

Makes Individual Forecasts

In the motor industry we forecast the production of around 6,400,000 cars and 1,200,000 trucks as compared with about 6,700,000 and 1,200,000 respectively in 1960. This means trucks about the same and car production off a little, largely because of the need for correcting the present high inventory situation.

We expect total sales of U. S. built automobiles to be about the same in '61 as in '60. However, fewer cars will be imported during the year.

Expiration of the three-year labor contracts next summer will bring strike threats and probably some rather serious strikes, but we doubt if they will affect total production very much. A pay increase is a sure bet—probably in the neighborhood of 12-15 cents an hour.

Net earnings for the Auto industry are likely to be somewhat less than in 1960.

Turning now to Steel, we believe total ingot production will be about the same as in 1960—that is in the neighborhood of 100 million tons—perhaps 105 million if things really get rolling in the final quarter.

Based on a probable operating capacity of 150 million tons, this will mean average operations through the year at about 65%-70% of capacity.

There will be no important labor troubles in the Steel industry in 1961, but another scheduled wage increase of 7.2 cents an hour will go into effect in October. Some steel price increases are probable as operations improve from present low levels, but they will be moderate.

Further competitive inroads are to be expected from foreign steel and from aluminum and plastics. Net earnings for the industry will probably be moderately lower than in 1960.

In the Building field, we expect total new construction to hit a record high of $57 billion — a 4% gain over 1960. Residential and public works outlays should each go up about 5%, utilities up about 4%, and private non-residential construction about the same as last year.

At least 1,300,000 new housing starts are expected in 1961 and the average dollar figure per start will be somewhat higher because of rising costs.

Real estate values hold firm to slightly up and mortgage interest rates are likely to ease by ¼% to ½%. All in all—a good building year in most all divisions.

Business Spending to Be Off $7 Billion

Business capital expenditures will be lower in 1961—probably off about $2 billion to a total of around $33.5 billion. All major industries, except public utilities, will share in this decline.

The other big item of business expenditure — for inventories—will shift from a net increase of some $4 billion in 1960 to a net decrease of around $1 billion in 1961.

The summation of these two important items of business expenditure, therefore, will be off some $7 billion, and this constitutes the major adverse factor in the business outlook for 1961.

The labor situation will not change markedly. Election-inspired union aggressiveness on the one hand, and stiffer management resistance to higher wage demands on the other, will probably cause a few more strikes than in 1960, but the only big strike hazard would seem to be in the Auto industry.

Hourly wage rates are expected to go up about 2% on average—a bit less than in 1960. Total employment will again reach a new high, but unemployment will also be higher (4.2 million vs. 4.0 million in 1960). This, of course, will come about as a result of the growing labor force, and will bring some repercussions in Congress.

Minimum wage rates will be boosted to at least $1.15 and perhaps to $1.25 an hour. The B.L.S. Cost-of-living index (now 127.3) will continue to edge upward to around 128.5 by next year-end.

In general, both wage rates and living costs will still be going up in 1961, but at a rather moderate rate.

Commodity Prices will be firmer in the new year, but the average will not change much—up around 1%-2%, which isn't very significant. Steel and building items (including lumber) are likely to go up somewhat more than the average, with most textile items, hides and rubber showing continued weakness.

Farm products will be relatively strong during the first half, but ease at harvest time. Retail and finished goods prices will edge higher—reflecting improving demand and rising costs all along the line.

Total volume of Retail Trade will continue its steady year-to-year climb with an average gain of 2%-3% and a "new high" total of around $226 billion. The non-durables are expected to do a little better — on average — than the durables, but the latter will be helped by a probable increase of $1-$2 billion in consumer credit.

Continuing intense competition and higher operating costs will keep a squeeze on profits. 1961 will be a busy year for retailers, but a difficult one so far as profits are concerned.

Agriculture, at long last, seems to have turned the corner toward somewhat better times. We forecast a gain of 1%-2% in farm cash income for a total of around $34 billion. Both prices and production expenses will average somewhat higher so the farmer's net income will gain only slightly. However, even this outlook is more encouraging than has been the case for several years. Agricultural exports will continue heavy in 1961 — probably up a little from 1960.

In the whole field of Foreign Trade we expect both Export and Import figures for 1961 to hold very close to last year's totals of around $20 billion for Exports and $15 billion for Imports.

Gold outflow will continue in the headlines, but probably will be less in amount than in 1960.

South American trade will be stimulated some by government grants but will show little, if any, improvement over-all. Our most favorable markets—again will be Canada, Western Europe and Japan.

The Financial Picture

Now let us turn to the Financial and Investment items and start with a forecast of Corporate Earnings, which is "What makes the mare go" so to speak.

We estimate total Corporate Earnings for 1961 at just about the 1960 level — a little better perhaps, but not much. An expected good comeback in the second half should at least offset the recession influences of the early months of the year—but we doubt that it will do much more.

Utilities will be an exception to the rule with a gain of around 6%.

Dividend payments will continue to edge up with a probable gain of about 3%.

Industries to show good earnings gains will include aircraft-missiles, drugs, goods, insurance, office equipment, oils, publishing and tobaccos.

The interest rate structure will show relatively little change in 1961. Continuing gold outflow will have an important influence on Federal Reserve polices and will tend to prevent any further declines in short-term rates. Long-term money will be somewhat more plentiful in the first half, with rates easing a little further, but they will firm up again in the fall.

New corporate bond financing should total about the same as in 1960, but there will be an increase of around 5% in state and municipal offerings.

In the Bond market, we expect only minor changes — a little strengthening in the first half and a moderate down-drift in the fall —relatively stable for the year as a whole. Most bond investors should stick to good quality and keep maturities under eight years.

Now, what to expect from the Stock Market this year — one of our more hazardous forecasts.

Sees 570-685 D-J Average

In terms of the market averages, our "guesstimate" is that the range in '61 will be about the same as it has been last year, namely, 570 to 685 for the well-known D-J Ind. Average and 55 to 67 for the more realistic S&P average of 425 Industrial stocks.

But the "averages" mean less and less as the market broadens from year to year. It's what individual stocks and stock groups do that is of most importance.

And again in 1961, we believe the stocks with a strong growth or science flavor will show the widest gains. We would particularly point out issues in defense industries, office automation, convenience foods, medical and hospital supplies and the leisure time fields.

Now to sum up quickly:

(1) Many total or average business figures for '61 will be about the same as in 1960, but the pattern through the year will be almost exactly reversed.

(2) Political influences will be mildly inflationary, with increased government spending and

an unbalanced Federal Budget—but few, if any, "ultra-liberal" policies or projects will be sanctioned.

(3) Money and Credit will be in reasonably ample supply, with interest rates off a little in the first half and firming up in the fall. Not much change for the year as a whole.

(4) Inventory reductions and less spending for plant and equipment will be the main adverse factors in the business picture, but they will be offset by higher consumer and government spending.

(5) The Tendency of the Stock Market to anticipate business changes will improve sentiment in the early months of the year and will probably somewhat hasten the business upturn.

1961 may not be a much **better** year than 1960, but it **should** be a happier one.

*An address by Mr. Babson before the Executive's Club of the Greater Boston Chamber of Commerce, Boston, Mass. Dec. 20, 1960.

Fulton County Bonds Marketed

Public offering of $14,525,000 Fulton County, Ga. 3¼% traffic improvement bonds due 1962-1987 was made January 5 by a group headed by The Chase Manhattan Bank, The First National City Bank of New York, and Trust Company of Georgia. The bonds are priced to yield 1.50% to 3.45%. The group bid 99.51399% for the issue at competitive sale, an annual net interest cost of 3.281518% to the County.

The bonds, the balance of an authorized issue of $35,000,000, constitute direct general obligations of Fulton County, payable from the levy of an ad valorem tax upon all taxable property, including real property, within Fulton County without limit as to rate or amount.

Included among others in the underwriting group are:

Smith, Barney & Co.; Harris Trust and Savings Bank; Blyth & Co., Inc.; The Northern Trust Co.; Phelps, Fenn & Co.; Equitable Securities Corporation; Continental Illinois National Bank and Trust Company of Chicago; White, Weld & Co.; The Robinson-Humphrey Company, Inc.; First National Bank of Atlanta; The Philadelphia National Bank; The First National Bank of Memphis; First of Michigan Corp.; The Johnson, Lane, Space Corporation; Braun, Bosworth & Co. Incorporated; Dick & Merle-Smith; A. G. Becker & Co. Incorporated; Roosevelt & Cross Incorporated; Wachovia Bank and Trust Company.

Fitzpatrick, Sullivan & Co.; J. A. Hogle & Co.; The Citizens and Southern National Bank, Atlanta; Robert Winthrop & Co.; Wells & Christensen Incorporated; City National Bank & Trust Co., Kansas City, Mo.; Interstate Securities Corporation; Winslow, Cohu & Stetson Incorporated; Lyons & Shafto Incorporated; C. F. Childs & Company Incorporated; Green, Ellis & Anderson; Mercantile-Safe Deposit and Trust Company, Baltimore; Clement A. Evans & Company Incorporated; Byrd Brothers; Cunningham, Schmertz & Co., Inc.; The National City Bank of Cleveland; Dempsey-Tegeler & Co.; Frantz Hutchinson & Co.; Newman, Brown & Co. Inc.; H. V. Sattley & Co., Inc.; J. H. Hilsman & Co., Inc.; Varnedoe, Chisholm & Co. Incorporated; Howard C. Traywick & Company, Inc.; Mid-South Securities Co., Nashville; Norris & Hirshberg, Inc.; J. W. Tindall & Company.

With Paine, Webber

(Special to The Financial Chronicle)

COLUMBUS, Ohio — Donald F. Knox is now associated with Paine, Webber, Jackson & Curtis, Huntington Bank Building.

Evaluating the Business And Investment Outlook

By A. Moyer Kulp, Senior Vice-President and Chairman of Investment Committee Wellington Management Company, Philadelphia, Pa.*

Investment manager puts the current business picture into perspective from both a short-term and long run standpoint. Probability of mild contraction and an upturn in mid-1961 is predicted on the underlying long-term growth trend of the economy. As for the stock market, Mr. Kulp sees 10-year upward revaluation in security prices behind us and opines stock prices now will depend on rising earnings and dividends. Thus, he stresses the importance of selection, professional management, adequate cash and bond reserves, and diversification.

Most 1961 forecasts look for a moderate contraction in overall business activity, ranging from a severe but not too prolonged recession in some areas of heavy industry, while consumer goods and services are holding steady—or actually rising. An upturn by mid-1961 appears expected.

A. Moyer Kulp

In retrospect, the prolonged steel strike in 1959 appears to have been a highly unstabilizing factor in the economy. The subsequent running off of large steel inventories is reflected in a sharp reduction in steel operations. Nevertheless, the decline in the Federal Reserve Board's Industrial Production Index has been gradual: One hundred eleven in January to 105 in November on a seasonally adjusted basis. Gross National Product (the estimated value of all goods and services produced) declined moderately in the third quarter of 1960 with final demand actually up. Based on the moderate change in these two basic and broad indexes, a mild contraction appears probable.

A sense of perspective is helpful in looking ahead. How is the present different from the booming 1950s? The post-war decade was characterized mainly by both the consumer and business converting huge liquid assets accumulated during the war, into tangible goods. For example: Post-war shortages in electrical appliances, houses and automobiles have been satisfied; industrial capacity is adequate; we have relative stability in price levels instead of repeated price increases. All this pictures the changing times. Perhaps most important of all is the return of competition. Ability to sell at a profit will be a challenge. In a sense, this is really a return to normal competitive conditions in a free enterprise economy.

Underlying Long Term Growth Trend

The current recessionary interlude should be related to the underlying long-term growth trend of our economy. The tempo of this trend is slower than the post-war boom rate of expansion which was accelerated by nonrecurring factors such as pent-up demands for automobiles, housing and plant and equipment superimposed on the normal growth trend. Here are some examples of what this means: In the consumer sector, consumer credit as a percentage of disposable income, increased from 5% to 15% in the period from 1946 to 1959. Mortgage debt on 1 to 4-family residential homes increased over five times from $22 billion to $124 billion. In the business sector, corporate debt increased over three times from $101 billon to $336 billion. Cash and government securities held by manufacturing companies fell from 18.5% in 1947 to 12.2% in 1959. This is another way of saying that the consumer is now well stocked with material possessions such as homes, automobiles and appliances. Business spending for plant and equipment appears to have reached a peak in 1957 and productive capacity is now quite ample to meet present and nearby needs. In other words, the major portion of the tremendous post-war needs were fairly well satisfied in the period from 1955-57 with the result that the growth rate of the economy has proceeded at a slower tempo in recent years. Expressed in dollars, the expansion in the economy during the past several years may not have the explosive zip of the post-war boom, but we should realize that this was accomplished with a relatively stable price level. Expressed in real terms, it is a better rate than generally realized. So much for the present, and now to the immediate months ahead.

Looks at the Future

What of the future? Does transition to a different kind of economy suggest stagnation? Not at all. Rather it suggests that business is operating in a normal climate; that business will be very competitive in a race favoring the best and strongest companies. This means ability as much as size.

Among the dynamic forces in the years ahead is the steady growth in the number of households which are the main customers for business. Households will keep on increasing and reach an accelerating pace by the mid-1960s. Research and development expenses are expected to rise steadily in the years ahead. These expenditures should provide a flow of new ideas and new products for growing markets here and abroad. Increased depreciation accruals have increased corporate cash flow well above reported net profits. Furthermore, the dividend level generally in representative companies should be well maintained during this recession. Increased depreciation accruals also assure available funds for business spending for new plant and equipment to introduce new products and to reduce costs. There will be relentless pressure to modernize and be efficient, in order to maintain competitive status. A powerful new factor is rapid industrialization world wide. The strong and growing economies in Western Europe and other parts of the Free World are a sustaining and stimulating influence for the United States.

It appears sound and reasonable to expect the country to grow. This growth will not be automatic each year. The economy will no doubt swing around this long term trend during the coming years as it has in the past. The point is that I would expect continuing progress during the decade of the 1960s.

Stock Market Price Trend

What of the stock market? We must realize the common stock market swung from a historically low valuation to a historically high valuation of earnings and dividends from 1949 to 1959. For the investor, this means that the 10-year upward revaluation in security prices is behind us. From now on rising stock prices, generally, will depend on rising earnings and dividends. These conditions call for careful and continuous security analysis, sound selection of profitable and competitive companies and good timing, instead of simply buying a "name" stock and waiting for a "tidal wave" rise in the stock market. Consequently, the do-it-yourself investor will no longer find investing easy and the successful professional investment management will be in greater demand than ever.

The investor's problem is to select the industries and companies which are best situated to do well in a competitive economy. There will be companies emphasizing research and development of new products; they may be in basic industries or they may be in the new scientific areas. They will be the imaginative, well-managed and aggressive companies that will set the pace and be industrial leaders of the future. The professional investment manager will supplement industry and company studies with continuing economic analysis; he will study profit trends and supplement good desk work with well grounded field work.

Summary

In conclusion, one may expect business to be different in the next 10 years—more difficult to appraise. Today's business and investment climate warrants a constructive attitude; it calls for a sounder balance in types of securities (common stock and bonds) and more careful selection of individual companies than at any time in the last two decades. A sound investment program under these conditions calls for adequate reserves in cash and bonds to meet individual needs. Emphasis will be on diversification in vigorous companies in basic industries, the new sciences, and the growing utility and service groups.

These are the time-proven principles which have produced the best investment results and provide the best assurance that the investors' purchasing power and principal will be maintained in a growing and rapidly changing world. Adherence to these principles should provide an investment income that will keep pace with rising costs, rising standards of living—while providing generous participation in the growth of our country.

***An address by Mr. Kulp before the New York City Rotary Club, New York City, Dec. 29, 1960.**

La Salle Secs. Co. Adds

CHICAGO, Ill. — LaSalle Securities Co., 208 So. La Salle Street, members of the Midwest Stock Exchange, are pleased to announce the association of Arthur B. Becker, as a registered representative. Mr. Becker was formerly associated with Carl McGlone & Co., of Chicago.

With Bache & Co.

(Special to The Financial Chronicle)

RALEIGH, N. C. — Monroe E. Gardner, Jr. is now with Bache & Co., 130 South Salisbury Street.

THE MARKET . . . AND YOU

BY WALLACE STREETE

With nothing basic changed except new calendars on the walls, the emphasis on stock groups nevertheless has shifted radically since the young year dawned. And there was enough demand to carry volume to a high peak and enable the market to forge ahead to the best levels seen since before Labor Day.

The accent was definitely on the cyclical industries — steels, rails and oils—and the inevitable crop of special situations. Without any basic improvement in business generally, the heavy demand for the cyclical items would have to be laid to all the talk that the recession will end early this year. And there are high hopes that with improvement, whether it arrives in the first or second quarter, the depressed items that have borne the brunt of the recession will reverse their direction sharply.

Surprising Rails

Much of this talk centered on the steels, but the surprising strength came from the rails which were not only able to do better, percentagewise, than the industrials, but even, on occasion, to forge ahead while profit-taking was putting the senior section in minus ground.

There was nothing in the nature of a runaway market, what with still considerable selling to be absorbed, particularly evident in the large blocks that showed up in inactive issues. And even on occasions when the industrial average was able to post fair gains, it was due to one or two items with large gains while the other components were no better than scrambled.

Among the shoring-up influences was du Pont, which was not among the wonder-workers of last year. In fact, du Pont's 1960 showing of a loss of nearly 77 points was one that ranked well up the list of the year's casualties. du Pont's low for 1960 was the poorest since 1958, and it held only a scant half dozen points above the 1958 low. In the New Year its market action has registered some improvement.

Another steadying influence on the blue chip section was Procter & Gamble which was definitely among the more buoyant spots in the 1960 list. Its gain approached four dozen points in what elsewhere was a dour year and the expectations that had buoyed it came true when the company voted a stock split this week. Its last split was in 1956.

Like the general market, International Business Machines, which was an outstanding item in 1960, found the going a bit hard at times. Nevertheless it was able, on one buoyant moment, to inch to another new all-time peak, there was no dearth of profit-taking any time it decided to move ahead briskly.

Some Chemical Strength

The strength in the chemicals, besides offering du Pont a good hand, also brought to at least temporary prominence such mundane items as Atlas Powder and Hercules Powder. The latter was able to make an early appearance on the year's new highs list and gave it its first day in the spotlight since 1956 when it had split last. The mundane ones that so far haven't been prominent are Dow and Monsanto Chemical, neither of which was in position to joust with the old highs without a lot more investment interest.

Another old-time favorite that showed some mild investment interest after a rather protracted period out of favor, was American Tobacco which also was able to improve on its 1960 peak. Despite all the health scares of recent years, cigaret consumption has continued to mount to new record levels, and it is American Tobacco, with its Pall Mall, that has regained the crown of having the largest-selling cigaret in the country. Its Luckies, which once was the titleholder, is still the fourth largest selling brand.

For a while when new filter brands were tumbling over each other to surfeit a fad-minded public, American Tobacco sat relatively pat and seemed to be losing its industry position, but its established brands snapped back well as the fads ran out of steam. American's own filter giant, Tarreyton, showed the second largest increase in sales among the top volume items last year, indicating that American is again asserting its position as one of the leaders of the industry. The company's yield of nearly 4½% is distinctly above average while its price-earnings ratio of around 13-times is definitely conservative.

New Cosmetics Star

The newcomer to prominence in the cosmetic group is Lehn & Fink Products, joining Revlon which was one of the more buoyant items around as 1960 ended. Lehn & Fink once was noted for steady and unspectacular growth but in recent years it has turned more aggressive. It is now active in both product development and also in acquiring other businesses, with sales and earnings steadily forging ahead. Its profit-making prowess is intact. Since 1956 it was able to show a 54% increase in earnings on a sales gain of only 34%. Holders have benefited, too, since its dividend payment has been raised four times since 1957. With any spectacular new product emerging—and there is no such expectation at the moment—the shares could be volatile, since there are only 364,738 outstanding, with nearly a fifth of them tied up in one holding.

One of the more mundane of the neglected items around is Hussman Refrigerator which has lolled in a range of less than half a dozen points for more than a year despite the fact that its yield has run around 5½% at recent levels. In fact, in the last two years it hasn't ranged over more than eight points.

Hussman, largest maker of commercial refrigerating equipment, is a name better known in the center of the country, since it is based in St. Louis. But it has been expanding, and currently is planning to step up its sales in the east with a new plant in New Jersey which is expected to get into important production early this year. Like so many other companies, it had minor troubles last year, and its 1960 report is expected to be somewhat disappointing. The expenses of its New Jersey facility had a hand in trimming its earnings. But the addition should contribute to a brighter picture this year, and its $1 cash annual payment, which lately has been larded by a 2% stock payment, is not considered in any danger.

For the steels there is still no concrete evidence that all their troubles are over. But with the combination of slow business and holidays pushing a week's output on a year-end week to the lowest level in a score of years, the feeling is general that there is no way to go but up from that low-water mark. Preferences in this group cover a wide range of issues although National Steel, with its record of operating at higher rates than the average for the industry with some consistency, was probably on more recommended lists than any other.

Interest in the Oils

In the oils the debate was over whether the international companies, which stand to benefit from a consumption rate well ahead of that in the U. S., are preferable to the purely domestic ones that aren't in the path of the dislocations that can and have cropped up abroad. Gulf Oil a couple of years back received only a fourth of its earnings from this country, but has pushed up the proportion to where it now stands at 58%, which lessens the "international" aspect of this item. The company has done a good job of holding up its earnings to where the dividend is covered some three times. This in some quarters, makes Gulf a candidate for a dividend improvement in the not-too-distant future. It adds stock payments to the cash ones fairly regularly.

[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.]

Brashier V.-P. of Parker, Ford Co.

ABILENE, Tex. — Election of Haden T. Brashier, Jr., veteran securities executive, as a Vice-President of Parker, Ford & Co., Dallas investment bankers, has been announced by Leslie P. Lagoni, Chairman of the Board of directors.

H. T. Brashier, Jr.

Mr. Brashier was formerly Abilene manager for Eppler, Guerin & Turner, with which he had been associated for many years.

The new Parker, Ford Vice-President will direct operations of that firm's newest branch office in the Windsor Hotel Building, Abilene. Other branches are located in Paris, Denton, Fort Worth, Wichita Falls, Amarillo and El Paso in Texas, and Ardmore and Tulsa in Oklahoma.

Phila. Inv. Ass'n NamesCommittees

PHILADELPHIA, Pa. — Herbert S. Bengtson, of Schmidt, Roberts & Parke, President of the Investment Association of Philadelphia, announces the appointment of various committees to carry out the functions of the association during the coming year.

John J. F. Sherrard, Jr. of Drexel & Co. was named Chairman of the program committee. Other committee members are: William Baugh of Drexel & Co., William P. Brown of Bache & Co., Alan Crawford of Brown Brothers Harriman & Co. and Samuel R. Roberts of Schmidt, Roberts & Parke.

The membership committee consists of Raymond Welsh of Kidder, Peabody & Co., Chairman; Frank J. Murray, Jr. of Woodcock, Moyer, Fricke & French, Somers K. Steelman of Merrill Lynch, Pierce, Fenner & Smith Inc. and Wesley Welsh of Eastman Dillon, Union Securities & Co.

William Rebmann of Laird, Bissell & Meeds and Rudolph C. Sander of Butcher & Sherrerd are co-Chairman of the entertainment committee. Other members are: Robert J. Caulfield of Equitable Securities Corp. and James P. Roberts of Baker, Weeks & Co.

Rubin Hardy of The First Boston Corp. is in charge of publicity and auditing is in the hands of Lawrence L. Barroll of Elkins, Morris, Stokes & Co. and John L. Dolphin of Dolphin & Co. O. Jones Toland, Jr. of Drexel & Co. is in charge of the membership booklet.

Swift Inv. Securities

LOUISVILLE, Ky.—Swift Investment Securities Co. has been formed with offices at 1534 Bardstown Road to engage in a securities business. Parters are Stephen L. Swift and D. W. Swift.

Businessman's BOOKSHELF

Business Forecasting for the 1960's—A Selected, Annotated Bibliography—Lorna M. Daniells—Baker Library, Graduate School of Business Administration, Harvard University, Soldiers Field, Boston 63, Mass. (paper), $1.

Business in New York State—Bimonthly magazine in the industrial and business promotion program of the State Commerce Department — New York State Department of Commerce, 112 State Street, Albany 1, N. Y.

Collection of Cash Items and Noncash Items—Booklet No. 6 in a series designed to aid in keeping the banking system in operation in the event of nuclear attack or other large-scale disaster—Banking Committee on Emergency Operations, 200 Madison Ave., New York 16, N. Y. (paper), 50¢ per copy (quantity prices on request).

Commercial Banks and Economic Growth—Bulletin of C. J. Devine Institute of Finance, New York University, Graduate School of Business Administration, New York, N. Y. (paper).

Dealer Market for Federal Government Securities—A study 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), 40¢.

Dollar Problem: A Reappraisal—Sir Donald MacDougall—International Finance Section, Department of Economics, Princeton University, Princeton, N. J. (paper), 25¢.

Emergency Currency Distribution — Booklet No. 7 in a series designed to aid in keeping the banking system in operation in the event of nuclear attack or other large-scale disaster—Banking Committee on Emergency Operations, 200 Madison Avenue, New York 16, N. Y. (paper), 50¢ per copy (quantity prices on request).

Financing American Schools in the Years Ahead — 1960 Capital Area School Board Institute, Center for Field Services, State University of New York, College of Education, Albany, N. Y. (paper).

Impact of Collective Bargaining on Management — Sumner H. Slichter, James J. Healy and E. Robert Livernash—Brookings Institution, 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (cloth), $8.75.

Independent Regulatory Commissions—Report of the Special Subcommittee on Legislative Oversight—U. S. Government Printing Office, Washington 5, D. C. (paper).

Long Island Economy, 1960 Annual Review and 1961 Outlook — The Franklin National Bank, Franklin Square, N. Y.

Stockholder and Employee Profit Sharing — II — In Large Food Store Chains—J. J. Jehring & B. L. Metzger—Profit Sharing Research Foundation, 1718 Sherman Ave., Evanston, Ill (paper), $3.

U. S. Business Investments in Foreign Countries — Full scale study—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., $1.00.

United States Immigration Policy and World Population Problems—Virgil Salera — American Enterprise Association, 1012 14th Street, N. W., Washington 5, D. C. (paper), $1; (quantity prices on request).

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York has promoted Harry E. Darling to Vice-President and General Manager of its branches in London, England, it was announced Jan. 9 by David Rockefeller, President. Alfred R. Wentworth, also assigned to the London branches, has been promoted to Vice-President.

Mr. Darling joined the London office of the **Equitable Trust Company** in 1922 and was with that office when Equitable merged with the **Chase National Bank** in 1930. He was promoted to Assistant Manager of Chase National's London branch in 1934, and in 1937 was appointed Manager of the newly opened Berkeley Square branch in London. He returned to the Lombard Street branch as Manager in 1948 and was promoted to Vice-President in 1954.

Mr. Wentworth joined the Chase National Bank in 1946 and was promoted to Assistant Manager in 1949. He was promoted to Assistant Vice-President in 1955, the year that Chase National merged with **The Bank of the Manhattan Company**, and in 1958 he was assigned to the Bank's London branches.

* * *

THE CHASE MANHATTAN BANK, N. Y.

	Dec. 31, '60 $	Sept. 30, '60 $
Total resources	9,260,439,172	8,530,355,297
Deposits	8,143,349,599	7,349,369,829
Cash and due from banks	2,079,690,930	1,897,012,922
U. S. Govt. security holdgs.	1,779,252,940	1,517,096,595
Loans & discts.	4,449,052,456	3,952,362,828
Undivid. profits	121,060,921	111,967,649

* * *

First National City Bank of New York, New York will open its Freeport Branch in Nassau County on Jan. 12. This is the Bank's second branch opened in Nassau County.

Although the branch will be temporarily located at 75 West Merrick Road, Freeport, permanent quarters will be constructed three blocks to the west at West Merrick Road and South Bergen Place.

Elmer A. Finck of Valley Stream has been appointed Manager of the Freeport Branch.

* * *

THE FIRST NATIONAL CITY BANK OF NEW YORK

	$ Dec. 31, '60	$ Sept. 30, '60
Total resources	8,668,429,220	[illegible]
Deposits	7,641,524,475	7,106,426,586
Cash and due from banks	2,029,684,200	1,796,558,276
U. S. Govt. security holdgs.	1,454,447,284	1,368,793,467
Loans & discts.	4,254,929,949	[illegible]
Undivid. profits	140,576,845	128,461,812

* * *

BROWN BROTHERS HARRIMAN AND COMPANY, NEW YORK

	Dec. 31, '60 $	Oct. 3, '60 $
Total resources	279,413,152	272,615,728
Deposits	238,466,466	219,598,353
Cash and due from banks	70,528,507	68,378,014
U. S. Govt. security holdings	48,761,136	14,908,554
Loans & discounts	87,750,419	73,863,785
Capital & surplus	18,885,284	21,261,985

* * *

Charles A. Bernard, William H. Curtis, Henry F. Forsstrom, John P. LaWare, James P. McNamara and Melvin H. Shagam have been elected Assistant Vice-Presidents at **Chemical Bank New York Trust Company, New York** it was announced Jan. 10 by Chairman Harold H. Helm. Messrs. Bernard, former Manager; Forsstrom, former Assistant Treasurer, and Shagam, a former Assistant Secretary, are with the Bank's Metropolitan Division. Mr. LaWare, a former Assistant Secretary, is with the Bank's National Division. Messrs. Curtis and McNamara, former Assistant Secretaries, are with the Bank's Credit Division.

* * *

Harold F. Anderson, formerly a Vice-President, has been appointed a Senior Vice-President of the **Morgan Guaranty Trust Company of New York.**

* * *

Mr. Carroll M. Shanks has resigned as Director of the **Morgan Guaranty Trust Company of New York.**

* * *

The United States Trust Company of New York, New York, has increased its common capital stock from $10,000,000 to $10,500,000 consisting of 525,000 shares of the par value of $20 each, effective Jan. 5.

* * *

Ralph H. Nay has been elected a Vice-President of the **Bank of New York, New York.**

Mr. Nay, Assistant Vice-President since 1957, joined the Bank in 1923. He became an Assistant Treasurer in 1951.

* * *

FEDERATION BANK AND TRUST CO. NEW YORK

	Dec. 31,'60 $	Sept. 30,'60 $
Total resources	221,188,624	184,676,925
Deposits	200,066,645	163,446,961
Cash and due from banks	49,956,656	30,638,825
U. S. Govt. security holdings	37,110,053	32,490,321
Loans & discounts	99,408,412	90,021,020
Undivided profits	1,561,929	1,700,457

* * *

Appointment of F. Sadlier Dinger, as a member of the Advisory Board of **Manufacturers Trust Company's** 14th Street office, was announced by Horace C. Flanigan, Chairman of the Board of the Bank.

The appointments of Thomas J. Devine, Edward M. Mansfield and Robert W. Olsen as Assistant Secretaries of **Manufacturers Trust Company, New York** were also announced by Mr. Flanigan.

* * *

COMMERCIAL BANK OF NORTH AMERICA, NEW YORK

	Dec. 31,'60 $	Sept. 30,'60 $
Total resources	193,740,265	190,501,207
Deposits	170,992,796	155,203,477
Cash and due from banks	33,556,442	28,715,584
U. S. Govt. security holdings	45,836,287	46,769,438
Loans & discounts	98,398,952	98,677,509
Undivided profits	3,457,278	4,321,140

* * *

On Jan. 2, Carl J. Heiles, 59, Vice-President and Senior Officer of the **Manufacturers Trust Company, New York,** died.

Mr. Heiles joined Manufacturers Trust in 1921 and became an Assistant Secretary in 1929. In 1943 he became Assistant Vice-President. He was appointed to his most recent posts in 1948.

* * *

THE STERLING NATIONAL BANK AND TRUST COMPANY, NEW YORK

	Dec. 31,'60 $	Sept. 30,'60 $
Total resources	167,392,526	149,915,8[illegible]2
Deposits	151,081,696	133,040,236
Cash and due from banks	42,236,291	29,344,811
U. S. Govt. security holdings	23,636,360	23,637,721
Loans & discounts	99,188,135	93,604,378
Undivided profits	2,035,703	2,002,565

* * *

David W. Lewis has been appointed Vice-President of **Bankers Trust Company, New York.**

* * *

J. HENRY SCHRODER BANKING CORP. NEW YORK

	Dec. 31,'60 $	June 30,'60 $
Total resources	144,804,050	126,933,599
Deposits	85,138,532	79,915,503
Cash and due from banks	19,063,996	19,604,379
U. S. Govt. security holdings	44,773,294	42,191,688
Loans & discounts	29,856,066	25,056,996
Surplus & undivid. profits	6,812,828	8,802,102

* * *

The United States Trust Company of New York has elevated Harry F. Hurley to Vice-President. Also announced were the appointments of Robert E. Quin, Earl A. Samson, Jr., and Lucius Wilmerding as Assistant Secretaries.

* * *

SCHRODER TRUST COMPANY, N. Y.

	Dec. 31,'60	June 30,'60
Total resources	$76,674,925	$75,460,247
Deposits	67,131,104	66,285,735
Cash and due from banks	14,816,742	16,389,308
U. S. Govt. security holdings	30,684,277	29,029,210
Loans & discounts	26,404,798	27,224,815
Surplus and undivided profits	3,396,664	3,388,730

* * *

Irving B. Altman, formerly Vice-President and Cashier of **Merchants Bank of New York,** has been elected Vice-President of the **American Trust Company, New York.**

* * *

UNDERWRITERS TRUST CO., N. Y.

	Dec. 31,'60	Sept. 30,'60
Total resources	$56,566,613	$58,553,696
Deposits	51,117,915	52,958,999
Cash and due from banks	7,712,257	6,976,702
U. S. Govt. security holdings	21,502,400	22,265,171
Loans & discounts	24,453,943	24,985,201
Undivided profits	1,928,806	1,905,742

* * *

Emile Pelet, 57, Vice-President and Comptroller of the **French American Banking Corp., New York,** died Jan. 3.

Mr. Pelet joined the Bank in 1925 and became an Officer in 1941.

* * *

Mr. John M. Nosworthy, formerly Assistant to the President, and Chairman of the Executive Committee of the Board of Trustees, has been elected Executive Vice-President of the **Bronx Savings Bank, New York.** He joined the Bank 10 years ago.

* * *

KINGS COUNTY TRUST COMPANY BROOKLYN, N. Y.

	Dec. 31,'60	June 30,'60
Total resources	$84,652,651	$78,892,572
Deposits	73,542,443	67,698,122
Cash and due from banks	11,629,489	9,077,074
U. S. Govt. security holdings	17,902,204	15,352,713
Loans & discounts	26,865,960	26,705,686
Undivided profits	1,000,000	1,261,149

* * *

Michael J. Burke, President of **The Lincoln Savings Bank, Brooklyn, N. Y.** announced the promotion of John F. Vogel to Vice-President.

* * *

Robert G. Brandely, James E. Gibbons, and Max Schnapier have been elected Vice-Presidents of the **East New York Savings Bank, Brooklyn, N. Y.**

* * *

THE MEADOW BROOK NATIONAL BANK SPRINGFIELD GARDENS, NEW YORK

	Dec. 31,'60 $	June 30,'60 $
Total resources	604,030,040	461,805,469
Deposits	541,191,540	420,479,138
Cash and due from banks	93,051,216	54,602,567
U. S. Govt. security holdings	106,849,672	101,120,059
Loans & discounts	360,038,295	273,406,962
Undivided profits	7,395,434	3,491,146

* * *

SECURITY NATIONAL BANK LONG ISLAND, N. Y.

	Dec. 31,'60 $	June 30,'60 $
Total resources	212,649,988	198,557,311
Deposits	194,477,413	181,176,144
Cash and due from banks	22,899,239	24,737,267
U. S. Govt. security holdings	42,659,365	43,449,735
Loans & discounts	82,922,029	70,451,565
Undivided profits	731,853	742,664

* * *

NATIONAL BANK OF WESTCHESTER WHITE PLAINS, NEW YORK

	Dec. 31,'60 $	Sept. 30,'60 $
Total resources	237,429,692	202,870,000
Deposits	215,950,265	183,629,000
Cash and due from banks	26,803,638	23,978,000
U. S. Govt. security holdings	66,548,893	77,508,000
Loans & discounts	106,718,620	95,658,000
Undivided profits	2,224,000	1,713,000

* * *

The merger of the **State Bank of Albany, New York,** and **Fulton County National Bank & Trust Company of Gloversville, New York,** has been authorized by the Directors of both Banks, but is subject to the approval of state supervisory authorities and stockholders of both institutions. It is believed that the merger would become effective in 1961.

State Bank of Albany has a total of more than $400,000,000 in resources. The Gloversville Bank has resources of about $16,000,000.

* * *

The Comptroller has approved the application of **The Howard National Bank and Trust Company of Burlington, Burlington, Vt.,** to purchase the assets and assume the liabilities of the **Central Savings Bank and Trust Company, Orleans, Vt.** The effective date is to be determined.

* * *

The application to merge the **National Bank of Wrentham, Wrentham, Mass.,** into **South Shore National Bank of Quincy, Quincy, Mass.,** under the title of **South Shore National Bank of Quincy,** has been approved by the Comptroller. The effective date was Dec. 30.

* * *

RHODE ISLAND HOSPITAL TRUST CO. PROVIDENCE, R. I.

	Dec. 31,'60 $	June 30,'60 $
Total resources	342,511,074	326,343,983
Deposits	298,466,990	277,574,316
Cash and due from banks	60,241,074	40,531,541
U. S. Govt. security holdings	76,333,300	75,484,957
Loans & discounts	188,264,379	189,717,806
Undivided profits	4,178,236	3,964,423

* * *

George W. Guillard, Executive Vice-President, has been elected a Director of the **Hartford National Bank and Trust Company, Hartford, Conn.**

* * *

The Comptroller has disapproved an application to consolidate **Perth Amboy National Bank, Perth Amboy, New Jersey,** and **First National Bank in Carteret, Carteret, N. J.,** under the charter of Perth Amboy National Bank.

* * *

As a result of the recent merger of the **Industrial Trust Co., Philadelphia, Pa.** and the **Perkiomen National Bank of East Greenville, Pa.,** the following new officers have joined the administrative staff of Industrial Trust, it was announced by Samuel Weinrott, Bank President.

They are Russell B. Erb, former President of Perkiomen National Bank, in the position of Vice-President; F. M. Rothenberger, Assistant Vice-President; R. K. Stong, Assistant Treasurer, and H. M. Bartholomew, Assistant Secretary.

In addition, these former board members of the Perkiomen Bank, W. R. Stauffer, J. A. Scholl and A. R. Keely, Esq., have been elected to the Board of Directors of the Industrial Trust Co.

* * *

The merger of the **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.,** and the **Collegeville National Bank, Collegeville, Pa.,** under the title of the **Provident Tradesmen's Bank and Trust Company** has been approved by regulatory authorities.

* * *

The Comptroller has approved an application to consolidate the **National Bank of Washington, Washington, D. C.,** and **Anacosta National Bank of Washington, Washington, D. C.,** under the title of the **National Bank of Washington.** The date of effect was Dec. 30.

* * *

SOCIETY BANK OF CLEVELAND, OHIO

	Dec. 31,'60 $	Sept. 30,'60 $
Total resources	440,125,792	422,729,855
Deposits	403,237,395	383,425,372
Cash and due from banks	49,016,064	41,906,614
U. S. Govt. security holdings	110,009,269	101,121,617
Loans & discounts	226,609,790	222,518,621
Undivided profits	1,000,000	2,051,702

* * *

CONTINENTAL ILLINOIS BANK AND TRUST CO. OF CHICAGO, ILLINOIS

	Dec. 31, '60 $	June 30, '60 $
Total resources	2,886,321,972	2,595,160,041
Deposits	2,481,717,051	2,264,904,839
Cash and due from banks	584,274,201	530,431,838
U. S. Govt. security holdgs.	527,570,965	416,540,112
Loans & discts.	1,436,478,236	1,400,292,551
Undiv. profits	10,265,519	24,380,393

* * *

THE NATIONAL BANK OF DETROIT, MICHIGAN

	Dec. 31, '60 $	Sept. 30, '60 $
Total resources	2,097,965,018	1,984,401,745
Deposits	1,903,894,802	1,790,837,122
Cash and due from banks	467,221,615	404,865,508
U. S. Govt. security holdgs.	569,506,836	537,387,019
Loans & discts.	797,326,781	776,653,216
Undiv. profits	25,489,613	23,140,377

* * *

THE SECOND NATIONAL BANK ASHLAND, KY.

	Dec. 31,'60	Oct. 3,'60
Total resources	$31,657,837	$32,922,108
Deposits	28,534,051	29,680,245
Cash & due from banks	6,459,212	8,934,031
U. S. Govt. security holdings	9,256,098	8,242,435
Loans & discounts	12,420,854	12,518,009
Undivided profits	346,226	429,789

Dodd V.-P. of Clement Evans

ATLANTA, Ga. — Clement A. Evans & Co., Inc., 11 Pryor Street, S. W., members of the Midwest and Philadelphia - Baltimore Stock Exchanges, has announced the addition to their staff of Jere Dodd, Jr., as Vice-President. He will be in charge of their Florida Division, dealing primarily in municipal bonds.

Jere Dodd, Jr.

Mr. Dodd was formerly Assistant Vice-President of the Trust Company of Georgia, with which he was associated since 1951. For the past four years, he represented the Bond Department of the Trust Company of Georgia in the State of Florida. Prior to joining the Trust Company, he was with Dun & Bradstreet, Inc., for a year.

First Boston Corp. Names Officials

James C. Morrison, Vice-President and director of The First Boston Corp., 15 Broad Street, New York City, has been named to head the company's national sales and distribution organization, it is announced by James Coggeshall, Jr., president. Mr. Morrison was formerly in charge of institutional and retail sales in the New York territory.

Francis A. Cannon, Vice-President and director, has been named to the position of Vice-President —Operations. He will be responsible for all aspects of internal operations of the corporation.

Bache Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ENCINO, Calif.—Gene J. Algoet is now with Bache & Co., 16033 Ventura Boulevard.

With White, Weld

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Henry S. Chin has joined the staff of White, Weld & Co., 523 West Sixth St. He was formerly with Stern, Frank, Meyer & Fox.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

THE 1960 RESULTS OF MAJOR NEW YORK CITY BANKS

Bank stock investments provided mixed returns for 1960. With solid earnings gains two years without reversals, many bank managements provided stockholders with larger dividend income returns. Similar market action rewards generally did not follow through; measured by the Merrill Lynch Nationwide Bank Stock Index, a 2.5% price drop occurred for the year. To moderate the possible gloom, the Dow-Jones 30 Stock Industrial Average registered a 9.3% decline for 1960. Four of ten leading New York bank stocks failed to outperform the Dow on year-end comparisons, even though two of the four banks raised cash dividends and another declared a 2% stock dividend.

Repeating the splendid earnings performance of 1959, all of the New York City banks again reported higher earnings. The trend of higher operating earnings during each of the past five years for Chase Manhattan, Bank of New York, Manufacturers Trust, First National City Bank and Chemical Bank New York Trust gives clear evidence that such banks remain healthy growth investments. Over the same five-year period, an earnings growth exceeding 50% was attained by Bankers Trust and Chase Manhattan. In contrast to 1959 experience, deposits and total assets increased more rapidly than loans, and all the major Manhattan banks increased their U. S. Government holdings, with the exception of U. S. Trust Co. Of the banks which have reported, profits from sales of securities were taken on balance during the year by Hanover Bank, Morgan Guaranty, and U. S. Trust, while losses were incurred by Bankers Trust and First National City Bank.

Based on the average gains of the major New York City banks, total loans increased modestly, or by 3%; U. S. Trust registered the highest gain, up 17%. All ten banks reported gains in total resources, up 12% from 1959 levels; The Hanover Bank registered the most impressive gain, that of 20.3%. Total deposits for the 10 banks increased, on average, 12%, led by Irving Trust's gain of 19.4%. Top earnings honors went to Irving Trust, a 1960 gain of 18.7% over 1959. Net operating earnings for the group advanced 13% over the 15% gain registered for 1959.

Two key changes occurred during 1960 which are expected to enhance further the promising outlook of New York City bank stocks. In two steps, reserve requirements of Manhattan banks were reduced from 18% to 16½% effective Dec. 1, 1960, thereby providing a larger earnings base. The other significant development was the enactment of the State Omnibus Banking Bill, a hard-won legal liberation for establishing branch offices in suburban counties, thereby offering scope for important expansion activity by the major wholesale-retail service banks. A strengthening of savings deposits is expected to result from decisions by the four other leading banks, First National City, Bankers Trust, Manufacturers Trust, and Chemical Bank New York Trust, to adopt Chase Manhattan's program, in effect for over a year: the payment of interest on savings from date of deposit to date of withdrawal. Beginning 1961, this extra interest credit liberalizes somewhat the 3% maximum interest return limit allowed commercial banks on time deposits. The main reason for such action is to meet more effectively competition from other financial institutions where more than 3% can be paid.

The outlook for bank earnings in 1961 is a performance which probably will keep results at least in line with present high levels; the extent of gains over 1960 results appears moderate at this time.

LEADING NEW YORK CITY BANK STOCKS

	*Adj. Bid Price Range 1961-1959	Recent Mean Price	Indic. Div.	Yield %	*Adjusted —Earnings— 1960	1959	Earn. Gain %
Chase Manhattan Bk.	68 - 53	65	†$2.50	3.8	$5.32	$4.63	9.4
First Natl. City Bank	92 - 69	79	†3.00	3.8	5.95	5.44	15.0
Chemical Bk. N. Y. Tr.	70 - 53	62	†2.60	4.2	4.83	4.60	5.0
Morgan Guaranty Tr.	118 - 94	103	4.00	3.9	6.91	5.86	17.9
Manufacturers Tr. Co.	69 - 51	62	†2.60	4.2	5.16	4.69	10.0
Bankers Trust Co.	53 - 37	49	†1.97	4.0	4.00	3.40	17.6
Irving Trust Co.	43 - 36	42	1.60	3.8	3.36	2.83	18.7
The Hanover Bank	50 - 40	54	2.00	3.7	3.70	3.18	16.4
Bank of New York	336 -246	335	†13.00	3.9	34.19	20.59	12.6
U. S. Trust Company	96 - 76	100	4.00	4.0	6.20	5.78	7.2

*Adjusted for all stock dividends paid and proposed. †Increase in cash payout declared in 1960.

Chase Manhattan Bank reported total resources of $9,260 million at the end of 1960, a rise of 9.3%. Deposits of $8,143 million and loans of $4,559 million were up 8.2% and 1.5%, respectively. Domestic offices during the year were increased by one, to 105. The quarterly cash dividend rate has been raised from 60 cents to 62½ cents and a 4% stock dividend, pending stockholder approval, will be paid March 10.

First National City Bank's combined resources were $8,832 million, a gain of 6.4% from 1959. Deposits advanced 7.4% to $7,771 million, while loans declined nearly 4% to $4,260 million. Subject to stockholder approval next week, a 2% stock dividend will be paid Feb. 16. Domestic offices at the end of 1960 totaled 88, up from 85 at the end of 1959.

Chemical Bank New York Trust Company's assets increased 5.2% to $4,540 million, while deposits of $3,898 million represented a gain of 6.6%. Loans outstanding were practically unchanged at $2,234 million. The cash dividend was increased from 60 cents to 65 cents quarterly. During the year, domestic offices were expanded from 103 to 106.

Manufacturers Trust Company's total resources at the end of 1960 were $3,974 million, up 15.5% from a year ago, while total deposits increased 13.8% to $3,465 million. Total loans were higher by 4.7% at $1,586 million. The quarterly cash dividend rate has been raised from 60 cents to 65 cents. Domestic offices were 119 in number at the 1960 year end, compared with 116 a year ago.

Bankers Trust Company's total resources at the close of 1960 were $3,430 million, up 12.4% from 1959. Total loans declined slightly to $1,567 million, while deposits gained 12.2% to $3,032 million. An extra dividend of 25 cents a share has been declared. The Bankers Trust-County Trust Company merger proposal, yet to be approved by regulatory officials, provides for the setting up of a holding company, the New York Holding Corporation. For merger purposes only two trust companies will be created to facilitate exchange of shares. In effect, Bankers Trust shareholders will receive one share of New York Holding Corporation stock for each share held, while County Trust shareholders will receive 86/100 of a share of New York Holding Corporation stock for each share of County Trust stock after payment of a 5% stock declaration recently recommended.

$95 Million State Of California Bonds on Market

A Bank of America N. T. & S. A. underwriting syndicate on Jan. 11 merged with a Bankers Trust Co. syndicate to purchase $95,000,000 State of California state school building aid bonds. The merged syndicate is managed by Bank of America with Bankers Trust Co. acting as joint manager. Other major members of the merged syndicate are The Chase Manhattan Bank, The First National City Bank of New York and Morgan Guaranty Trust Co. of New York.

The syndicate paid a premium of $2,169 for a combination of 5%, 4%, 3%, 3¼%, 3½% and 3¾% bonds, or a net interest cost to the State of 3.6838. The dollar price was 100.002. This compared with a net interest cost of 3.7909 and a dollar price of 100.292 on the $25,000,000 of state school building aid bonds sold in September, 1960.

The bonds were reoffered to investors to yield from 1.95% to 3.80%, according to maturity March 1, 1963-1987. Bonds maturing on or after March 1, 1983 are callable on or after March 1, 1982 at par plus accrued interest to the date of redemption.

The state school aid building bonds just sold were the final offering from a $220 million authorization approved by voters in 1958. An additional $300 million of the bonds were authorized by the electorate in 1960 and are as yet unissued.

The program of school building aid was inaugurated in 1949 and bonds totaling $810 million have since been issued. School construction with a capacity for more than 1,000,000 pupils has been completed or is in progress to date. About one-third of the school districts in the State have qualified for grants under the program.

Bank of America underwriting groups are a primary source of funds for financing California's rapidly expanding educational plant, as well as hospitals, water systems, flood control districts and other public necessities. The Bank and its associates in the past 12 months bought more than $693 million of California state and municipal bonds of all types.

Among other members of the Bank group which purchased the $95 million State of California state school building aid bonds were:

The First National Bank of Chicago; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co. Inc.; Harris Trust and Savings Bank; Smith, Barney & Co.; Lehman Brothers; Kuhn, Loeb & Co.; Wells Fargo Bank American Trust Co.;

Security First National Bank; California Bank, Los Angeles; Drexel & Co.; Glore, Forgan & Co.; Chemical Bank New York Trust Co.; C. J. Devine & Co.; Continental Illinois National Bank and Trust Co. of Chicago; The Northern Trust Co.; Crocker-Anglo National Bank; R. H. Moulton & Co.;

Goldman, Sachs & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Bear, Stearns & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Dean Witter & Co.; White, Weld & Co.; Blair & Co., Inc.; Weeden & Co. Inc.; The First National Bank of Boston;

The First National Bank of Oregon; The Philadelphia National Bank; Seattle - First National Bank; Equitable Securities Corp.; Stone & Webster Securities Corp.; Phelps, Fenn & Co.; Salomon Bros. & Hutzler; R. W. Pressprich & Co.; Paine, Webber, Jackson & Curtis; Mercantile Trust Co.; Lazard Freres & Co.; Shields & Co.;

Reynolds & Co.; J. Barth & Co.; Ladenburg, Thalmann & Co.; John Nuveen & Co. (Inc.); William R. Staats & Co.; Hornblower & Weeks; Wertheim & Co.; Hayden, Stone & Co.; A. C. Allyn & Co., Inc.; First Western Bank and Trust Co., San Francisco, Calif.; E. F. Hutton & Co.; Carl M. Loeb, Rhoades & Co.; and American Securities Corp.

Adams & Peck to Admit New Partner

Adams & Peck, 120 Broadway New York City, members of the New York Stock Exchange on Jan. 20 will admit Gotfried Von Meyern Hohenberg to partnership.

Cohen, Simonson To Admit to Firm

On Feb. 1 James H. Cohen will be admitted to partnership in Cohen, Simonson & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

Investment Portfolio Stock Should Consist of Bonds

By Roger W. Babson

Forty years of financial advisory writing is distilled into Mr. Babson's outline of today's "best buys." His outline stresses assorted kinds of bonds, and is both timely and educational. Underscored is the importance of patience, diversification, and compound interest.

With the new Administration coming into office, the wise investor will play safe. If J. F. K. takes his father's advice, investors should have nothing to fear; but if he takes the advice of "wild-eyed" college professors we may have much to fear.

Importance of Security

Bonds of a company are always safer than the stocks of the same company; but stocks of some companies are safer than the bonds of other companies. Hence, readers cannot feel safe by just buying either stocks or bonds. Everything in the world is good and/or bad. No one rule will apply to all persons or to all classes of investments or real estate.

It is also wise to consider the relative prices of bonds before you buy them. The average price of good bonds has varied to yield between a high of 4½% in 1960 and a low near 3% in 1946. This means that bonds were highest priced in 1946 and lowest in 1960. Hence, this is a good time to buy good bonds, although they are a little higher than a year ago. There are three different groups of bonds, arranged in the order of their safety, as follows:

Different Kinds of Bonds

(1) U. S. Government Bonds. These are mostly held by banks. Although very safe, they do not yield very high interest; yet this interest is taxable for individuals. The short maturities yield the least; while the long maturities yield the most. If you want them as a reserve for "quick money," buy the short maturities; but if you want them for income, buy the long maturities.

(2) Tax-exempt Municipal Bonds. There are two kinds: (1) the fixed-interest municipals issued by cities, towns, counties and states. I suggest that you avoid bonds of big cities. Buy the bonds of medium-sized cities in the interior of the United States. The capital cities of interior states should be the safest of all, and carry a fair yield. All these are non-taxable for Federal tax purposes. You can also buy (2) non-taxable "revenue bonds," but the interest on these is not guaranteed. Most turnpike bonds are in this latter class. So long as the turnpikes are used sufficiently, the "tolls" pay the interest; but if the tolls are not sufficient, full interest is not paid. This explains why turnpike revenue bonds yield higher than straight municipals.

(3) Corporate Mortgage Bonds and Debentures. Bonds of corporations are also of different kinds; but all are taxable as to interest. To readers of this column I recommend the mortgage bonds of public utility companies, such as the company to which you pay your light and power bill. The sale of electricity is constantly increasing and—though subject to rate regulation—these companies have a monopoly. They are also freest from union labor interference.

Most industrial bonds should be good provided they are not subordinated to bank loans or other indebtedness. Income bonds may be good speculations following a drastic reorganization. Debenture bonds are unsecured and hence often not suitable for small investors, unless accompanied with attractive conversion privileges. The El Paso Natural Gas 5¼s due in 1977 are a favorite of mine; yielding about 4½%. I do not like railroad bonds or bonds of manufacturing companies subject to competition.

Importance of Diversification And Patience

For 62 years my family has been helping investors to conserve their savings and secure reasonable capital gains. For 40 years I have been writing this weekly column. The great lesson which I have learned is the importance of diversification. Hence, why not buy some short-term government bonds to turn quickly into cash in an emergency; plus some public utility mortgage bonds for good income; plus some tax-free municipals to save income taxes; plus a few convertible bonds as a speculation?

Most important of all, train yourself to develop patience, the ability to wait for the big market moves in bonds, stock and real estate. Patience, diversification, and compound interest are the big necessities for making a fortune.

A.S.E. to Install Electronic Data & Quote Processor

The American Stock Exchange has taken a major step forward in the field of investor information and education by announcing the purchase of a revolutionary communications facility and data processor which, in two years, at a cost of $3 million, will provide investors with the world's first complete, electronically-automated quotation network with history's first commercial application of a combination voice-produced and print-out reporting technique.

The new quotation range and volume procedure only uses a part of the data-processor which has been designed (1) to permit the addition of sub-systems, at the election of the Exchange in the future—permitting it (2) to be interrogated from anywhere within the United States and Canada, (3) to operate the ticker system, (4) to permit same-day comparisons of trades and to do most of the American Stock Exchange Clearing functions and (5) to ultimately relieve the member firms of much of their back office billing work and other clerical procedures.

"The new system, designed from a procedures manual prepared by Joseph F. Reilly, Chairman of our Board of Governors, is the result of exhaustive investigation and research representing more than four years of cooperative effort between the exchange and The Teleregister Corporation of Stamford, Conn. with whom we have contracted for design and delivery," according to Edward T. McCormick, President of the Exchange.

The voice reproduction unit will have a vocabulary including bid, offer, last, open, high, low, volume, 11, 13, 15, 16, eighth, quarter, half, none, and, active, the complete alphabet and the numbers 0 through 9.

The exchange indicated it was interested in developing stage one, the quotation feature, at the moment. No plans or time schedule were indicated for adding the other sub-systems.

$30 Million Bonds Of Los Angeles Publicly Offered

A Bank of America N. T. & S. A. underwriting syndicate on Jan. 10 merged with a Chase Manhattan Bank syndicate to purchase two Los Angeles City School Bond issues totaling $30,000,000. The merged syndicate is managed by Bank of America. The merged syndicate included The First National City Bank of New York, Bankers Trust Co., Morgan Guaranty Trust Co., and Chemical Bank New York Trust Co.

The merged syndicate purchased the $27,500,000 bond issue of the Los Angeles City Unified School District, paying a premium of $423,099 for straight 3¾% bonds. The dollar price was 101.538. Net interest cost to the district was 3.63%. The syndicate purchased the $2,500,000 bond issue of the Los Angeles City Junior College District, paying a premium of $33,339 for straight 3¾% bonds. The dollar price was 101.534. Net interest cost to the district was 3.63%. Both issues were reoffered to investors to yield from 1.50% to 3.80%, according to maturity Feb. 1, 1962-1986.

The bonds sold are the first series issued from an authorization approved by voters in 1960. Proceeds will be used for various purposes, including construction of new schools and expansion of existing schools. The Los Angeles City Unified School District is a new entity established last year by the unification of the Los Angeles City School District and the Los Angeles City High School District. The new district is coextensive with the former Los Angeles City School District.

Bank of America and the underwriting syndicates it manages are a major source of funds for the new schools and classrooms needed to keep up with California's growing school age population. As the largest buyer of California issues, the Bank and its associates in the past 12 months bought more than $693 million in California state and municipal bonds.

Other major members of the Bank group which bought the $30,000,000 Los Angeles City Unified School District and Junior College District bonds were:

Harris Trust and Savings Bank; Blyth & Co., Inc.; The First National Bank of Chicago; The First Boston Corporation; Smith, Barney & Co.; Kuhn, Loeb & Co.; Security First National Bank; Wells Fargo Bank-American Trust Company; California Bank, Los Angeles; Crocker-Anglo National Bank; Continental Illinois National Bank and Trust Company of Chicago;

The Northern Trust Company; Lazard Freres & Co.; C. J. Devine & Co.; Drexel & Co.; Glore, Forgan & Co.; Merrill Lynch, Pierce, Fenner & Smith Incorporated; Dean Witter & Co.; R. H. Moulton & Company; The First National Bank of Oregon; Seattle-First National Bank;

R. W. Pressprich & Co.; The Philadelphia National Bank; Equitable Securities Corporation; Bear, Stearns & Co.; William R. Staats & Co.; Mercantile Trust Company; Reynolds & Co.; Hornblower & Weeks; J. Barth & Co.; Ladenburg, Thalmann & Co.;

John Nuveen & Co. (Incorporated); Wertheim & Co.; E. F. Hutton & Company; First Western Bank and Trust Company, San Francisco, Calif.; Bacon, Whipple & Co.; William Blair & Company; Clark, Dodge & Co. Incorporated; First National Bank in Dallas; First Southwest Company; Fitzpatrick, Sullivan & Co.;

Ira Haupt & Co.; Hirsch & Co.; W. E. Hutton & Co.; Lee Higginson Corporation; Lyons & Shafto Incorporated; Mercantile National Bank at Dallas; W. H. Morton & Co. Incorporated; New York Hanseatic Corporation; and Wm. E. Pollock & Co., Inc.

Women's Bd. Club to Hear

Thomas W. Folger of Kidder, Peabody & Co., will speak before the Women's Bond Club of New York on "Investing in the Electronics Industry." The luncheon meeting is to be held on Jan. 19 at the Lawyers Club.

New Harris, Upham Office

CHICAGO, Ill.—Harris, Upham & Co., has announced the opening of additional facilities in the Tribune Square area, at 443 North Michigan Ave. This new ground floor location, representing a second Chicago office for the firm, supplements existing facilities at 135 So. La Salle Street in that city. The office is Harris Upham's 40th branch in this country and abroad.

Coutts to Head N. Y. Bond Dept.

Ronald M. Coutts, newly elected partner of Cruttenden, Podesta & Co., will head its expanded bond department operation in the New York office, 37 Wall Street, D. R. Bonniwell, partner in charge of the Chicago-based investment firm's bond department, has announced.

Ronald M. Coutts

Mr. Coutts has been manager of the bond department's municipals trading and syndicate desk in the Chicago head office. He joined the Cruttenden, Podesta staff in March of 1956, after 18 years of bond trading experience on La Salle Street — first with C. F. Childs & Co., Inc., then with A. C. Allyn & Co., Blyth & Co., Inc., and John Nuveen & Co., Inc.

Avery V.-P. of Pistell, Crow

Kenneth H. Avery has been elected a Vice-President of Pistell, Crow, Inc., 50 Broadway, New York City, members of the American Stock Exchange.

Richard E. Kohn Co. Opening New Branch

SOUTH ORANGE, N. J.—Richard E. Kohn & Co., members of the New York Stock Exchange, will open a suburban office Jan. 16, at 11 Sloan Street, Lackawanna Plaza, South Orange, in the newly built arcade of the D. L. & W. railroad station. William Tucker of Short Hills will be manager.

Customers' representatives in the Lackawanna Plaza office will be Jerry Applefield of New Providence, Joseph Braunstein of Elizabeth, Josef Karpinski of Irvington, Theodore Wachsman of Newark and Milton Weinberg of Highland Park.

Mr. Tucker has been with the firm for three years as a customers representative, manager of the mutual fund department and director of training.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

The Rules Are There to Protect the Broker and the Customer

Sometimes customers become annoyed because they must abide by rules and regulations. The salesman who does not understand why certain rules have been established is at a great disadvantage. Over a period of many years regulations have been set up by the New York Stock Exchange, and the National Association of Securities Dealers, that are designed to efficiently move the great number of transactions handled daily by the investment business in this country.

Most of these rules have evolved out of the experience of many years. Without them the enormous volume of business that is effected would be a physical impossibility. In addition, there are always a few individuals who will attempt to take advantage of others and who are dishonest in their dealings. There are laws which govern the actions of agents (which is the status of a broker). There are also laws that outline the obligations of a dealer in securities. In some instances a broker can be innocently liable for the actions of others, and unless he knows his liability he can be placed in a very unenviable position by a shrewd and unscrupulous client.

When your cashier says, "No, it can't be done" he is only doing you (the salesman) a service. Instead of trying to argue with him in order to obtain a breach of a rule for some supposedly important client, ask him to explain why the rule is in effect and why it can't be nullified. A good client does NOT ASK A SALESMAN TO BREAK THE RULES.

Only Got Singed

Some of the readers of this column who may be customers may be surprised to learn of the incidents that I will review here. But registered representatives and security salesmen will not class them as fiction. Recently I heard of a registered representative who had done business with a client for five years. The man had a trading, margin account. For a while he made some good profits and then his trading went against him. One day when his margin account would permit no further trading, he asked his registered representative to open a margin account for his wife. This was done and he immediately sold 500 shares of stock short in her account. The customer took the margin agreement papers home that evening, ostensibly to have his wife sign them. He didn't return them. The trade was closed out for a loss of $2,700 which was charged to the account of the representative.

I have only briefly stated the facts. There were some mitigating circumstances since the customer had done business with this firm and this representative for five years. But if a minimum deposit had been taken to open the account, if the short sale had not been accepted until proper documents had been received, this would not have happened. People who want the salesmen to do something beyond the rules and the regulations should be circumspect. Good and honest clients do not ask such favors. Lawsuits and legal entanglements are costly and provide much unfavorable publicity. A broker who is lax in upholding the regulations is doing a disservice to all his clients. Honest business requires that honest men trade fairly and according to the rules. This representative was fortunate—he could have been the victim of a much larger swindle.

Investigate the Customer

I went through this myself some years ago. I received an answer to an advertisement, and I followed up by making an appointment to see the man who answered the ad. I will never forget the cold and wintry night that I drove to his small business and talked with him for over an hour. He told me that he wanted to buy about $20,000 worth of good listed securities. I later submitted some suggestions. A week later he gave me an order over the telephone for four stocks. I did not investigate his credit, I asked for no references, I just took for granted that he was an honest, hard-working man. He made the business somewhat difficult for me to get. I ended up taking a nice-sized loss, and I found out after that he had pulled the same deal on about a dozen large firms.

This individual was an expert confidence man. He gave orders, picked out stocks, and if they went up he paid for them. If they went down he used the four-day settlement period to his advantage and he stated he never gave the brokers the order. I found out later that he was a psycopath who hated brokers. The Securities and Exchange Commission finally got an injunction against him. He tried the stunt again about a year later and went to jail. There is a reason why your firm says to you, "Investigate your customer when you open an account."

This Could Happen Too

Sometimes brokers are asked to register stock in the name of a minor. This is absolutely illegal. A minor cannot own property. If a broker knowingly acquiesces to such a request he becomes a party to an illegal action. Today in most states it is very simple to use a common phrase and register stocks in the name of a custodian for a minor. There have been cases where stocks have been put in the name of a minor. The stock later advanced in price after the person who placed the stock in the name of a minor had sold it and who fraudulently signed the certificate for the minor. Later the seller died and the stock continued to advance in price. The minor who had then become of age asked for his stock and it was not available. He sued the broker for the difference between the price at which it was sold and the market value. The broker was a party to the illegal and fraudulent act. He only tried to co-operate with his customer, who asked him to register this stock in the minor's name. He didn't realize his liability at the time—nor did he think that the minor might be a pretty shrewd fellow once he became of age.

One final reminder: The Rules Are for Your Protection.

Banks for Coops. Offer Debentures

The Banks for Cooperatives offered on Jan. 11 a new issue of $132,000,000 of 2⅞% six-month consolidated collateral trust debentures, dated Feb. 1, 1961 and maturing Aug. 1, 1961, at 100% and accrued interest. The offering is being made through John T. Knox, Fiscal Agent for the Banks, and a nationwide group of securities dealers.

Proceeds from the financing together with cash on hand will be used by the Banks to refund $135,000,000 of 3% debentures due Feb. 1, 1961.

With Lieberbaum Co.

Lieberbaum & Co., 50 Broadway, New York City, members of the New York and American Stock Exchanges, has announced the appointment of Walter Eisenberg as a registered representative.

Mr. Eisenberg was formerly a registered representative with Herzig, Farber & McKenna and previously was associated with Salomon Bros. & Hutzler.

Ritchie To Join Western Sav. Fund

Charles L. Ritchie, Jr., will join the Western Saving Fund Society of Philadelphia on Feb. 1 as Vice-President. Mr. Ritchie is a manager of Brown Brothers Harriman & Co.

With Schwabacher

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Ronald J. Pimentel is now with Schwabacher & Co., 100 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. He was previously with Mitchum, Jones & Templeton.

W. E. Hutton Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Maine.—Glennis M. Hetzler has been added to the staff of W. E. Hutton & Co., 652 Congress Street.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Short-term Government obligations continue to be the most sought after issues in spite of the better demand which has been appearing for Treasury securities that are in the intermediate and long-term areas. The liquidity-preference idea is not quite as strong as it has been, but it has not yet been abandoned by a long shot. There are no indications yet of any important changes in the policies of the monetary authorities, but the year is still quite young. The money and capital markets are expected to continue on the easy side even though this may mean very little change from the levels that have been prevailing. One thing, however, does appear to be very evident as far the market for fixed income bearing issues are concerned, namely, no one is as yet predicting a general rise in near- and long-term interest rates.

More Pump-Priming Likely

The demand for Government obligations continues to expand and, according to advices, a really significant amount of the first-of-the-year investment needs have been satisfied through the purchases of Treasury securities. Again the money and capital markets are getting commitments for investment purposes, which under more certain or normal economic conditions would be going into other than interest bearing obligations.

According to advices, it appears as though quite a few institutional investors are not going to make purchases of common stocks in large volume in the foreseeable future unless there is a revival of the inflation psychology. The answer as to whether or not there will be another build up in the inflation fears will depend to some extent on the programs that will be adopted by the Congress and the new Administration to bring about a revival of business. It is evident that the Federal Government will take action to fight the forces of deflation and it will not be long before there will be made available the kind of program which will be undertaken. What this will consist of is still a matter of some conjecture, but it seems as though specific types of Federal sponsored works should not be unexpected.

Interest Rate Outlook

In addition, there is more than a passing amount of opinion that the cost of obtaining the funds for these projects will also decline. The cost of borrowing evidently is one of the important factors in the scheme of things to help the revival of business in order to combat the unemployment which is rising and will go to higher levels before it is reversed. The down trend in interest rates will most likely not be too sharp, but it should be enough nevertheless to have at least a moderate effect on the returns which will be available in the money and capital markets.

The demand for near-term obligations is not expected to abate very much but this does not mean that short-term rates could not move up. The answer to this should not be long in being given since the open market operations of the monetary authorities will show what is going to be the course of rates for the higher liquid issues. It may be that the Central Banks will eventually be sellers of short-term obligations so that rates of these securities will move higher in yield.

Reversal in Interest Rate Levels

The long-term sector of the Government market is expected to remain in a constructive vein, even though the return available in Treasury bonds is not as good as that which is obtainable in corporate and tax-exempt obligations. Nevertheless, there are indications that the institutional interest in the most distant Treasury maturities is going to remain favorable for the foreseeable future. The need for Government bonds in specific portfolios continues to keep prices of these securities on the firm side and the market appears well able to dispose of any blocks that have come in for sale.

In addition, it would not surprise the capital markets if the idea that long-term interest rates should move down and short-term rates go up would become more of an actuality with the passage of time. It is quite evident that in the coming months the money and capital markets will be focal points in the economy since the course of business is going to determine whether the rates in them will be lower or higher. The international position of the dollar will also have an influence on these rates.

Designatronics Stock Offered

Cortlandt Investing Corp., Rothenberg, Heller & Co., Inc., and Joseph Nadler & Co., Inc., all of New York City, offered via a Dec. 14 prospectus, 100,000 shares of Designatronics, Inc., 10c par common stock at $2.25 per share on a "best efforts" basis, as a speculation.

The company with offices at 199 Sackett St., Brooklyn 31, N. Y., was incorporated in the State of New York on Sept. 7, 1960. The company acquired all the outstanding stock of Automatic Coil Co., Inc., a wholly-owned subsidiary. Automatic owns and controls Precise Electronics & Development Corp. The company and its subsidiaries are engaged in the manufacture and sale of coils, transformers and other electronic assemblies and products for radio and television.

It is anticipated that the net proceeds to the company will approximate $183,500, after deduction of the underwriting and expenses, and that such proceeds will be devoted to the following purposes:

Expenses for combining plants $10,000; equipment and machinery $30,000; advertising $40,000; inventory $30,000; research and development $25,000; working capital $13,500; retirement of loans $35,000.

The company has engaged the United States Corporation Co., 50 Broad St., New York 4, N. Y. to act as the Transfer Agent and Chemical Bank New York Trust Co., 100 Broadway, New York, N. Y. as the Registrar of the stock.

Form Harrison-Wilson Co.

(Special to THE FINANCIAL CHRONICLE)

PALO ALTO, Calif. — Harrison-Wilson Co. has been formed with offices at 261 Hamilton Avenue to engage in a securities business. Robert B. Harrison is President and Assistant Secretary-Treasurer; Lindsay K. Wilson, Vice-President, Secretary and Treasurer; and Max Thelen, Jr., Assistant Secretary.

Economic and Investment Outlook on the Bullish Side

Continued from page 1

the steel industry where steel consumption has been outrunning production for several months. Steel production in 1961 should rise to between 105-110 million tons from the 1960 total of around 99 million tons. Production in strike-ridden 1959 was 97 million tons.

Notwithstanding the recession, retail trade in 1960 reached a new high at about $220 billion compared with $215 billion in 1959. The increase was due entirely to the soft goods section, hard goods sales being off moderately. The tendency throughout retail merchandising was towards tighter inventory control. In the opinion of some merchandising experts, many companies to remain competitive must increase their inventories from existing levels.

Sharp Population Rise

Contributing importantly to the moderately improved outlook is the sharply mounting population. The population of the United States increased about 2,760,000 in 1960 and a further rise of around 2,920,000 is indicated for 1961. Increasing birth rates together with longer life spans are being and will continue to be reflected in significant population increases, thus adding to the total needs of the people. Such additional requirements of goods and services tend to act as a cushion in periods of recession.

The steadily increasing population is not, however, entirely a plus factor in the economy. With each passing year the potential labor force increases. Unemployment amounts to about 6.5% of the labor force and is still increasing. With some 800,000 persons added to the labor force each year, the unemployment problem is one of the major ones with which the new Administration must deal. Indications are that this problem will be with us indefinitely. There continues to be a steady stream of workers leaving farms for more lucrative employment in urban centers. This accentuates the unemployment problem. More important, perhaps, is the great accent on automatic equipment in a wide variety of plants throughout the country. Never before in history has such a high level of the economy been possible with so high a rate of unemployment. Present indications are that unemployment will continue at a high level during 1961.

Passenger car production this year will aggregate 5,800,000 units as against 6,700,000 in 1960, according to the Department of Commerce. This estimate is considerably lower than that of the industry which has placed 1961 production at at least 6,200,000 vehicles. Automobile imports through the first three quarters were down about 3% and it is estimated that there will be a greater decline—perhaps as much as 20%—in 1961. The Department of Commerce estimates that compact cars will account for 35 to 40% of total output in 1961 compared with 30% in 1960.

Independent surveys indicate that residential construction in 1961 will aggregate some 1,350,000 units as compared with about 1,300,000 in 1960. Construction expenditures will amount to about $57.3 billion, according to the Department of Commerce, an increase of 4% over the $55.1 total for 1960. The increase will come largely from construction of schools, office buildings, water works, gas pipelines and other types of public and private structures. Plant and equipment expenditures by corporations are expected to be down moderately from the estimated total of around $35.7 billion in 1960.

Consumer Credit

One of the economic features of the postwar era has been the vast growth of consumer credit, particularly instalment credit. Both consumer credit and instalment credit were at new highs as of Oct. 31 last at $54.2 billion and $42.2 billion, respectively. Whether these enormous figures represent a potential danger spot in the economy is a question frequently asked. In the event of a depression these huge amounts would undoubtedly pose a threat to the economy. But in the present mild recession they amount to only 15% and less than 12% of spendable income, respectively. It would seem, therefore, that unless the economy should turn downward sharply, the amount of total credit and instalment credit outstanding does not constitute any great threat. Nevertheless, these figures should be watched closely in the future.

Exports and Imports

Much is heard about the danger of "pricing ourselves out of foreign markets." Because of sharply rising production costs in this country since World War II, there is no question that such a danger exists. Indeed, we are all aware of the large number of items from abroad — cameras, field glasses, toys, etc. — which are freely available in our stores. Nevertheless, our exports will be up sharply from the 1959 total of $16.2 billion to approximately $19.7 billion. As against merchandise imports of $15.3 billion for 1959, the total for 1960 will approximate $15.0 billion. This means that our favorable balance of trade from merchandise exports rose from approximately $900 million in 1959 to $4.7 billion in 1960. A further expansion of exports seems likely in 1961.

Notwithstanding our favorable export-import position, we have been confronted with a series of balance of payment deficits because of increasing U. S. private investment abroad and heavy government, economic and military aid spending in Europe and elsewhere in the Free World. These deficits amounted to $3.5 billion in 1958, $3.8 billion in 1959, and will total $3.5 billion or more in 1960.

Dollars represented by these deficits go abroad and into central banks which can use them to buy gold from the U. S. Since Jan. 1, 1960 the nation's gold holdings have declined some $1.5 billion compared with a loss of $1.1 billion in 1959.

Our loss of gold has invited speculation — particularly in Europe—as to the stability of the dollar. Although devaluation is a most remote possibility, it is important that measures be taken to curb the outflow of gold without weakening our military or economic position abroad or at home. Both political parties are committed to maintaining the integrity of the dollar.

Spurring the Economy

It has long been recognized by monetary authorities that an ample supply of lendable money at low interest rates constituted an effective way of stimulating business activity. With this objective in mind the Federal Reserve Board in two moves last year has lowered the rediscount rate—the rate at which member banks borrow from the Federal Reserve—the full decline being from 4% to 3%. Additionally, reserve requirements have been lowered by the Federal Reserve, and member banks have been permitted to include their vault cash in their legal reserves. Usually several months elapse before such steps become effectual in supporting economic activity. Sooner or later they encourage businessmen to embark on new or enlarged ventures, thereby creating employment and adding to the nation's purchasing power. Favorable results from these liberalized credit policies should be apparent by spring.

In an endeavor to fulfill campaign promises, President-elect Kennedy will probably make it the No. 1 order of business to take action to accelerate the economy. Various avenues are open to him and it is believed that he will endorse the following: A revamping of the tax laws to encourage corporation expansion through increased depreciation allowances and other benefits; lower income tax rates — particularly in the lower brackets — to increase the amount of spendable income; increased expenditures for highway construction, public buildings, etc.; higher minimum wages and increased social security benefits.

Although the realization of these objectives would be time consuming the assumption that most or all of them would materialize in due course might well have a salutary psychological effect on the economy.

These various factors suggest that a turn-around in the declining business trend is likely to become a reality before July 1, 1961. Furthermore, the economy should reach a peak for the year in the fourth quarter.

Investments' Outlook

Stock prices as measured by most averages reached a high early in January and a low near the end of September. Since then prices have been rising irregularly. Stock prices are currently between about 17 and 21 times estimated earnings for 1960 depending upon the particular average employed. Historically, stocks are selling at high levels in relation to earnings and it is certainly true that no major market advance in the past began when prices were at such relatively high levels. It does not seem, therefore, that any important advance in the averages lies ahead for 1961. This presupposes that no significant inflationary elements will enter market consideration during the year. The possibility of inflationary influences, however, cannot be ruled out entirely. Should it develop that substantial fiscal deficits lie ahead as a result of pump priming by the new Administration, psychology toward inflation might change quite radically. And notwithstanding the fact that there has been a negligible amount of commodity inflation in 1960, the fact nevertheless remains that the Cost of Living index has just established a new all-time high.

With the new Administration committed to a program of first curbing the downturn in business and then providing the background for dynamic growth, it does not seem likely that any pronounced market decline lies ahead. On the other hand, with the probability that earnings in 1961 will not vary greatly from those in 1960, there is little reason to believe that any substantial market rise is in the offing. Some individual companies will, of course, make a considerably better showing than the average and it is in the stocks of such companies that appreciation opportunities exist. Fixed income securities generally should be relatively stable during the first half of the year with the likelihood that the anticipated business improvement during the second half will be reflected in somewhat higher interest rates and lower prices for bonds.

In looking to the future, research will play an important role in the further growth of the economy. Research expenditures — government and private — are estimated to have totalled $13 billion in 1960 and they will be higher in 1961. The next several years will witness noteworthy research developments in such fields as metallurgy, space technology, chemistry, electronics, atomic energy, miniaturization, instrumentation, etc. New and improved products emanating from such research will result in significant earnings gains for the well managed companies which are able to capitalize on them.

Forms Roberts & Roberts

(Special to THE FINANCIAL CHRONICLE)

HOLYOKE, Mass.—William Roberts, Jr. is engaging in a securities business from offices at 133 Locust Street under the firm name of Roberts & Roberts.

Hill Richards Office

BEVERLY HILLS, Calif. — Hill Richards & Co., Incorporated has opened a branch office at 9025 Wilshire Boulevard under the management of Robert B. Zusman.

First Boston Corp. Heads Lone Star Rights Offering

Lone Star Gas Co. is offering to holders of its outstanding common stock of record Jan. 5, 1961 rights to subscribe at $40 per share for 655,733 shares of additional common stock at the rate of one new share for each 10 shares then held. A group headed by The First Boston Corp. will purchase all shares unsubscribed for at the termination of the offer on Jan. 23, 1961.

Of the net proceeds, $20,000,000 will be used to prepay bank borrowings and the balance will be applied to the company's 1961 construction program.

The company owns and operates interconnected natural gas transmission lines, gathering lines, compressor stations, gasoline plants, distribution systems and related properties which serve more than 850,000 consumers in Texas and Oklahoma. The company's subsidiary, Lone Star Producing Co., engages in exploration for and development of oil and gas production and owns and operates oil and gas leases and wells, gathering lines, gasoline and cycling plants and other related properties.

For the 12 months ended Sept. 30, 1960, consolidated operating revenues of the companies amounted to $130,699,437 and net income to $16,384,952 compared with consolidated operating revenues of $124,899,929 and net income of $15,718,011 for the year 1959.

The company has paid cash dividends each year on its common stock since its incorporation in 1942. Since the last quarter of 1956, the quarterly dividend has been at the rate of 45 cents per share.

New Legg Office

PIKESVILLE, Md.—John C. Legg & Company has opened a branch office in the Pikesville Medical Center Building, with Standish McCleary, Jr. as resident partner in charge.

Now E. J. Philips Co.

PARAMUS, N. J.—The firm name of Equity Planning Co., 119 Schimmel Street, has been changed to E. J. Philips and Co.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Pacific Power & Light Co.

Pacific Power & Light supplies electricity (and some other services) to a population of about 1,200,000 in 214 communities in the Pacific Northwest. The Metropolitan area of Portland, Ore. is shared with Portland General Electric. Geographical sources of revenues are Oregon 59%, Washington 19%, Wyoming 16%, Montana 5% and Idaho 1%.

The company recently observed its fiftieth anniversary. Having acquired a number of smaller companies by merger (including Mountain States Power), it is now the largest electric utility in the Pacific Northwest, with a gross plant account approaching $400,000,000 and annual revenues of $63,000,000. The company is currently contemplating a merger with California Oregon Power, which has annual revenues of $25,000,000; it would be effected by an exchange of 1.2 shares of Pacific Power common for each share of California Oregon. The merger is, however, subject to approval by stockholders and regulatory commissions.

This would still further extend the company's service area, which already extends about 1,000 miles from East to West, and 500 miles from North to South The company is also in process of acquiring from Union Pacific Railroad the electric and water facilities of Southern Wyoming Utilities Company and the 20,000 kw Rock Springs steam-electric plant of Union Pacific Coal Company.

Industry in the service area is well diversified, but probably the most important type of enterprise is the lumbering and associated industries—plywood, pulp, paper, hardboard and particle board plants. With 44% of the U. S. standing timber in the area, it is estimated that natural growth and reforestation programs will make it possible for the present timber-cutting rate to be continued indefinitely. Pacific Power & Light is believed to serve a broader segment of the wood products industry than any other utility in the world. It has on its lines 36 plywood plants which produce one-third of the nation's softwood plywood and almost one-fifth of the world's total; market value of their annual output is close to $200,000,000. Ten veneer plants are also served, as well as 13 composition board plants, all new since 1950. These produce hardboard, softboard, flakeboard and particleboard. Four paper mills, a specialty paper mill and a pulp mill are now on the company's lines and a new pulp and paper mill is under construction. Other industries include oil wells, refineries, and pumping stations; meat packing and fish packing plants, beet sugar refineries, flour mills, creameries, etc.

The electric business accounts for 96% of total revenues with the balance from steam heating, telephone, and water operations. Electric revenues are about 49% residential and rural, 26% commercial, 21% industrial, and 4% miscellaneous.

Due to use of hydro power, the average annual use of electricity by residential customers has consistently maintained better than a 2-to-1 edge over the national average figure. On the company's system, it has grown from 4,184 kwh in 1950 to 8,098 kwh for the 12 months ended Sept. 30, 1960. The annual revenue per average residential customer has gone up from $67 in 1950 to $110 for the latest 12-month period, while the average rate per kwh dropped from 1.61 cents in 1950 to 1.36 cents in 1960.

During the past 10 years, the company's load growth has been at the rate of over 8% per annum, from a peak load of 489,000 kw in 1950 to 1,079,000 kw in 1960. The company has increased its generating capacity over three-fold, from 231,000 kw in 1950 to 779,000 kw in 1960; it now has three hydro plants with a total capacity of 357,000 kw, and a 200,000 kw steam plant in Wyoming. The latter plant obtains coal by low-cost strip mining from a company-owned mine 15 miles from the plant, with very large reserves. Additional steam units may be located at this location as needed. The company is now supplying 51% of its load with power generated in company-owned plants, 19% with power purchased from Bonneville and 30% with power from other sources. Since the Bonneville supply of power is expected to decrease, the company will have to provide additional power to replace the Federal power as well as take care of new growth. Peak demand is expected to rise to around 1,400,000 kw by 1964 compared with 1,079,000 in 1960.

The capital structure as of Sept. 30, 1960, following the sale of $20 million first 5⅛s of 1990, was as follows:

	Millions	%
Mortgage bonds	$194	57
Convertible debenture 4¾s	11	3
Other long-term debt	17	5
Total long-term debt	$222	65
Preferred stock	33	9
Common stock equity	88	26
Total	$343	100

The company's earnings record has been somewhat irregular, due to rising power costs and variations in interest credits. The earned rate of return on year-end net property account declined from 7.2% in 1950 to 4.8% in 1958 (according to Standard & Poor's) but recovered to 5.4% in 1959. On March 25, 1960, the company obtained a $2.8 million rate increase in Oregon, but it was unsuccessful in its request for a $1 million increase in the State of Washington. With approximately $1 million net after taxes accruing in 1960 from the Oregon rate increase, this probably lifted earnings about 22 cents, with a further gain of about six cents indicated for 1961.

Pacific Power & Light has been selling recently around 40 in the Over-the-Counter Market. It pays $1.80 to yield 4.5% and the dividend is fully "tax-free" and expected to remain so for about four years. Earnings per share dropped from $2.40 in 1958 to $1.88 per share in 1959 largely as the result of a sharp decline in the credit for interest on construction. For 1960, with the help of the rate increase, earnings are estimated at $2.35 a share, almost back to the 1958 figure. The stock sells at about 17 times the estimated 1960 earnings.

Cyclomatics Inc. Common Marketed

Pursuant to a Dec. 21 offering circular, General Securities Co., Inc., of 101 W. 57th Street, New York 19, N. Y., publicly offered 250,000 shares of this firm's 10c par common stock at $1 per share.

Cyclomatics Inc. was incorporated under the laws of the State of New York on Oct. 7, 1957 under the name Slendercycle Corp. The company adopted its present name on Sept. 23, 1960. The company is engaged in the manufacture and sale of motorized health and exercising equipment. Its principal office is located at 11-16 31st Avenue, Long Island City 6, New York.

Since the offering of the shares is on a best efforts basis, there is no assurance that all or any thereof will be sold. If all such shares are sold, the net proceeds received by the company (estimated at approximately $165,000) will, it is contemplated, be applied in the approximate order and for the purposes set forth below:

Additions to working capital, $30,000; carrying inventories and accounts receivable $60,000; new product development $25,000; sales promotion and national advertising $25,000; and new equipment and improvement of operating facilities $25,000; a total of $165,000.

MUTUAL FUNDS

BY ROBERT E. RICH

Not Too Much to Ask

A more articulate, to-the-point and no-nonsense fraternity than investment management would be difficult to find, but large numbers of the clan can become abstruse, wandering and windy in reporting to their stockholders after a disappointing year. Stockholders often will learn at a quick glance how the assets of their company are diversified, or how the investment objectives of management are kept in focus, or how their fund "outperformed" the Dow-Jones averages, or how business stacks up for the next 12 months.

The stockholders, who may be Arkansas pecan farmers or Hoosier boxcar knockers, are almost always glad to hear from a Financial District savant, but the sensation could be even more pleasurable if they were told straight out the precise value of their shares and how it compares with a year earlier. After all, the stockholders are supposed to own the business. They did not get their shares for trading stamps. And the management, which is being paid to serve them, has the plain duty of telling them what happened to their interest.

It is nice to be able to report that quite frequently management does approach the annual report in straightforward fashion, but there are just too many of the other kind to overlook a nonsensical practice that is bound to harm the funds.

If the primary concern of the owners of the business is not to know whether their own assets appreciated or declined, but rather to chortle over the fact that their management "outperformed" the Dow industrials, then it might be in order to ask the people who prepare these annual reports to show the change in value of each of the stocks in the portfolio. Since few funds are without the pivotals that make up the Dow 30, the reports would make highly entertaining—if not especially helpful—reading.

Thus, we might find the latest annual report going beyond a statement that on Jan. 5, 1960, the industrial average hit a record peak of 685.47. Exactly a year later, you can learn, it was down to 621.64, a slide of more than 9%.

The fun, of course, would come when you could read that among the company's sizable holdings was United States Steel, an investment favorite and one of the Dow 30. Imagine these masters of obfuscation telling stockholders that Big Steel hits its 1960 high of 103¼ the same day as the Dow peaked and then relating that a year later it was at 75½ for a net loss of 27%. As for those who sell solace, they might logically add that the situation was even worse, for at one time in 1960 Big Steel traded at 69¼.

An even greater investment favorite is Standard Oil (New Jersey), another one of the Dow 30. Along about the time the Dow was peaking, Standard of Jersey was setting the best price of the year—50½. It fell 16% during the year.

The examples are many, but each by itself proves nothing. The proof of a fund's performance is in the over-all result. Nor should it be rated on the basis of a quarter's or even a year's work. Many a well-run corporation, operated that way, would now be in the midst of an Executive Suite purge.

The year just past was a lean one for many able investment managers, especially viewed from the standpoint of the cold statistics. But management nevertheless owes it to the stockholders to report the results to the owners.

Having done that, there is every justification for citing the fact that the problems of 1960 created opportunities too. There is good reason to believe that shrewd investment leaders were busy during the year making new commitments and changes in the portfolio calculated to bring handsome rewards in 1961 or 1962.

For those who approached the chore of the 1960 annual report with a realization that people who are old enough to invest their money also are mature enough to face up to the facts of investment life, better days should be ahead.

The Funds Report

Canada General Fund Limited, reports total net assets of $71,055,510, equal to $13.04 per share on Nov. 30, the end of the first quarter of the present fiscal year. These figures compare with assets of $75,176,154, equal to $13.29 per share three months earlier, and, according to William F. Shelley, President, reflect the nominal change in Canadian stock prices during the period.

* * *

Centennial Management & Research Corp., sponsor of the first mutual fund tailored to the needs of the larger, "locked-in" investor, has commenced public offering of a new fund for the same purpose. Called Centennial Fund II, Inc., it provides "substantial investors" with a means of diversifying invested capital without having to realize immediate taxable capital gains in the process.

Two million shares at $25 a share are being offered in exchange for the assets of qualified investors. The exchange allows the investor to postpone payment of capital gains or spread the liability over a period of years to obtain diversification for his capital.

* * *

Delaware Income Fund assets reached a record $8,234,628 on Nov. 30, up from $5,591,470 a year earlier. Assets per share, however, dropped to $9.20 from $9.87 at the end of the previous fiscal year. The number of shares outstanding reached a new peak of

894,876, compared to 566,413 a year earlier.

* * *

Diversified Investment Fund, Inc., reporting for the fiscal year ended Nov. 30, 1960, states: "In the six months since the fund's semi-annual report, holdings in the steel and automobile industries were reduced and investments in the building and construction industry were eliminated. Additions were mainly in electric utility shares. . . ."

* * *

Fidelity Capital Fund net assets at Nov. 30 amounted to $25,012,291, equal to $14.73 a share. This compares with $11,945,888 and $12.53 a share on Nov. 30, 1959.

Fund of America, Inc. has filed with the Securities and Exchange Commission a registration statement covering a proposed offering of 500,000 shares of its capital stock. Ladenburg, Thalman & Co. was named principal underwriter. Fund of America, a non-diversified open-end investment company, was operated under the name of Southern Industries Fund, Inc. from October, 1952 to September, 1960, at which time its present name was adopted.

* * *

Imperial Capital Fund, Inc. reports that at the close of the Nov. 30 fiscal year net assets were $12,907,404 and assets per share $8.01 while shares outstanding totaled 1,611,133. This compares with year-earlier assets of $9,722,808, equal to $7.91 a share, and 1,228,588 shares.

* * *

Institutional Income Fund assets rose to $35,574,249, equal to $6.06 a share, on Nov. 30 from $35,060,548, equal to $6.65 a year earlier.

* * *

Niagara Share Corp. assets declined in 1960 to $61,329,651, equal to $22.70 a year on Dec. 31. This compares with $63,802,238, or $23.61 a share, on Dec. 31, 1959.

* * *

Nucleonics, Chemistry & Electronics Shares, one of the Templeton, Damroth group of mutual funds, reports these principal changes in its common stock portfolio in the final half of its fiscal year that ended Nov. 30:

New investments—8,100 shares Lafayette Radio Electronics, 2,000 Litton Industries and 300 Fairchild Camera.

Additions — 1,200 shares Air Products, 2,180 Columbia Broadcasting, 2,000 Foote Mineral, 4,000 Nuclear Chicago Corp., 3,000 RCA, 1,900 Raytheon, 2,000 Speer Carbon, 3,000 Texize Chemicals, 1,000 Tuboscope and 5,000 Whessoe Ltd.

Reductions—3,300 shares Elgin National Watch and 8,000 DM Farbwerke Hoechst.

Eliminations—1,000 shares E. I. Du Pont, 2,000 Executone, 1,600 Nuclear Development Corp. of America and 1,020 Dow Chemical Co.

The fund closed its fiscal year with 55% of assets in common stocks and the remainder in fixed income securities and cash.

* * *

Tri-Continental Corporation ended 1960 with asset value per share only about 1% under its all-time year-end high, according to preliminary figures. Assets per common share outstanding stood at $49.15 (preliminary) at Dec. 31, after provision for payment, on behalf of stockholders, of 15 cents in Federal income taxes on long-term gain realized, compared with the year-earlier peak of $49.68. Assuming the exercise of all warrants, assets per share were $44.89 (preliminary), compared with $45.20 at the end of 1959.

Investment assets totaled about $412,400,000 at the end of 1960 and were within ½ of 1% of the $414,303,032 reported at Dec. 31, 1959.

Net new funds of $685,363 were received upon exercise of 30,469 warrants during the year. But this increase was more than offset by the $1,079,690 year-end tax provision.

* * *

Wall Street Investing reports that at the close of 1960 net assets amounted to $10,871,715, or $8.69 a share, against $9,678,492 and $8.30 a share on Dec. 31, 1959.

* * *

Wellington Fund reports assets rose to $1,087,000,000 for the 11 months to Nov. 30, end of the fund's new fiscal year. Assets for the previous year, ended Dec. 31, amounted to $1,017,221,000. Assets per share declined during the year to $13.42 at Nov. 30 from $14.15 on Dec. 31, 1959.

Security Advisory Committee Appointed in New Jersey

Members of a six-man committee, organized to advise the State Bureau of Securities on matters pertaining to the new Uniform Securities Law, sworn by Governor Robert B. Meyner. Pictured at the ceremony are (left to right) William Kalellis of Collingswood, Benjamin Einhorn of Deal, John E. Manning of Newark, Attorney General David D. Furman, Governor Meyner, John R. Haire of Hillside, Robert M. Pyle of Orange and Raymond Manahan of Morristown. Mr. Manahan was chosen committee chairman for 1961, with Mr. Kalellis named vice-chairman.

TRENTON, N. J.—Six New Jersey residents, actively engaged in the securities business, have been sworn in as members of the newly-appointed Security Advisory Committee by Governor Robert B. Meyner.

In congratulating the committeemen on their selection "for a very important assignment," the Governor said he had chosen them because they are representative of the desirable element of the business and give the group good geographical coverage.

Sworn in for three-year terms were Raymond Manahan of Morristown (Coffin & Burr) and Robert M. Pyle of Orange (Hornblower & Weeks). John R. Haire of Hillside (Hugh W. Long & Company, Inc.) and William Kalellis of Collingswood (Janney, Battles & E. W. Clark, Inc.) became two-year members of the committee, while Benjamin Einhorn of Deal (Astor & Ross) and John E. Manning of Newark (Manning, Shanley & Co.) were sworn in for one-year terms.

Following the swearing-in ceremony, the committeemen met with Attorney General David D. Furman, who reviewed certain aspects of the Uniform Securities Law which went into effect Jan. 1. He noted that they are high-caliber citizens with much experience in all phases of the securities business and that they no doubt will be called on often for advice in connection with enforcement of the new law.

Members of the committee at their organization meeting elected Mr. Manahan their Chairman for 1961. David F. Conroy, Chief of the Bureau of Securities who will schedule future sessions of the group and to whom the committee will give advice, also met with the members.

Now Rex Ulrich Associates

TWIN FALLS, IDAHO—The firm name of Investments and Estate Planning, 201 Second Street, East, has been changed to Rex Ulrich and Associates.

W. D. Gradison Co.

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Rudolph A. Greiser has been added to the staff of W. D. Gradison & Co., Dixie Terminal Building, members of the New York and Cincinnati Stock Exchanges.

In Santa Cruz

SANTA CRUZ, Calif.—Charles J. Briggs is now with William R. Staats & Co., in their 1021 Center Street Office. Mr. Briggs was formerly Lodi representative for Mitchum, Jones & Templeton, and in reporting his association with William R. Staats & Co. it was indicated that he was in the Lodi office.

Now With Westheimer

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Joseph A. Kapler is now associated with Westheimer & Co., 1717 East Ninth Street. He was formerly with L. A. Caunter & Co.

Donald Sloan Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oregon — Herbert Vergets has been added to the staff of Donald C. Sloan & Co., Cascade Building.

Form J. Normand Inc.

PAWTUCKET, R. I.—J. Normand Inc. has been formed with offices at 585 Central Avenue to engage in a securities business; Norman G. Lefebvre is a principal of the firm.

Halle & Stieglitz Branch

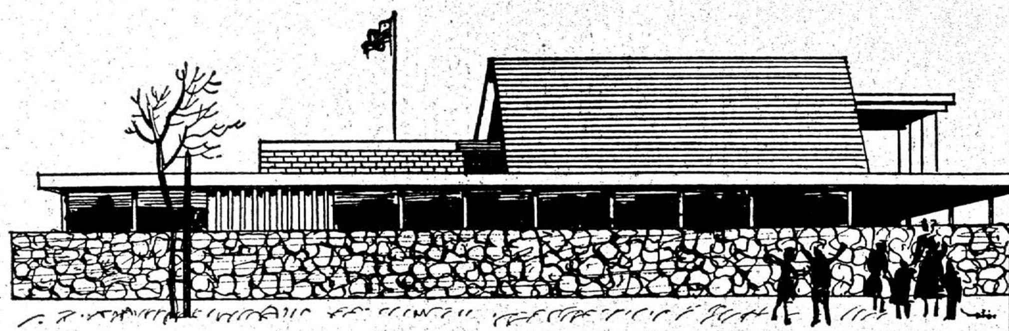
RIVERDALE, N. Y. — Halle & Stieglitz have opened a branch office at 3505-07 Johnson Avenue under the management of Marvin Sirot.

With Holton, Henderson

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Harold Riff has become affiliated with Holton, Henderson & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. He was formerly with Binder & Co., Inc. and Walston & Co., Inc.

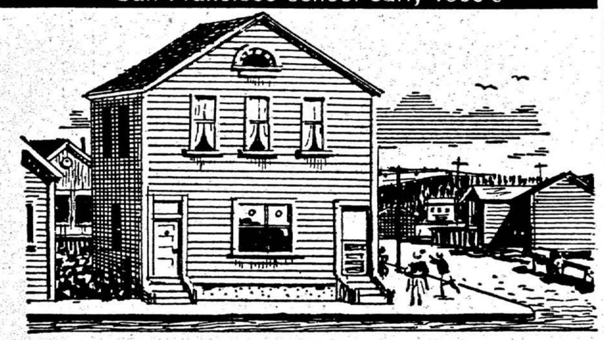
New Issue



Today's California schools—designed for modern educational methods

School at Artesia about 1898

San Francisco school early 1900's



$95,000,000 State of California

5%, 4%, 3%, 3¼%, 3½%, and 3¾%
STATE SCHOOL BUILDING AID BONDS
LAW OF 1958, SERIES Y

Dated December 1, 1960 ***Due March 1, 1963-87, incl.***

Payment and Registration

Principal and semi-annual interest (March 1 and September 1) payable, at the option of the holder, at the office of the Treasurer of the State of California in Sacramento, California, or at the office of any duly authorized agent of the State Treasurer, including the agent of the State Treasurer in New York, N. Y. First coupon payable September 1, 1961. Coupon bonds in denomination of $1,000 registrable only as to both principal and interest.

Redemption Provision

Bonds maturing on and after March 1, 1983, are subject to redemption at the option of the State, as a whole or in part, on March 1, 1982, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. Publication of notice of redemption shall be once a week for two successive weeks not less than 30 days nor more than 90 days prior to said date of redemption, in each of the Cities of San Francisco, Sacramento and Los Angeles, California. If less than all the bonds should be redeemed, they shall be called in inverse numerical order, the part so called not less than all the bonds maturing in any one year.

Tax Exemption

In the opinion of counsel, interest payable by the State upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment

We believe these bonds will meet the requirements as legal investments for savings banks and trust funds in New York, California and certain other states and for savings banks in Massachusetts and Connecticut and will be eligible as security for deposits of public moneys in California.

Purpose and Security

These bonds, issued under provisions of State School Building Aid Bond Law of 1958 (Statutes First Extraordinary Session 1958, Chapter 98) and Section 19 of Article XVI of the Constitution of the State of California for school purposes, in the opinion of counsel are valid and legally binding general obligations of the State of California payable in accordance with their terms out of the General Fund of the State, and the full faith and credit of the State of California are pledged for the punctual payment of both principal and interest. Under the enabling statute the State is obligated to collect annually, in the same manner and at the same time as other State revenue is collected, such sum in addition to the ordinary revenue of the State as shall be required to pay principal and interest on the bonds as the same become due. The bonds were authorized by the electorate on November 4, 1958, for the purpose of providing aid for school construction in the State, the amounts thereof to be repaid, in whole or in part by the districts receiving aid.

Tax Gain, Amortization of Premium

AMOUNTS, RATES, MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

Amount	Coupon Rate	Due	Yield or Price†
$3,000,000	5%	1963	1.95%
3,000,000	5	1964	2.20%
3,000,000	5	1965	2.40%
3,000,000	5	1966	2.60%
3,000,000	5	1967	2.75%
3,400,000	4	1968	2.90%
3,400,000	3	1969	2.95%
3,400,000	3	1970	100
3,400,000	3	1971	3.10%
3,400,000	3¼	1972	3.20%
3,800,000	3¼	1973	100
3,800,000	3¼	1974	3.35%
3,800,000	3½	1975	3.45%
3,800,000	3½	1976	100
3,800,000	3½	1977	3.55%
4,200,000	3¾	1978	3.65%
4,200,000	3¾	1979	3.65%
4,200,000	3¾	1980	3.70%
4,200,000	3¾	1981	3.70%
4,200,000	3¾	1982	100
4,600,000	3¾	1983*	100
4,600,000	3¾	1984*	3.80%
4,600,000	3¾	1985*	3.80%
4,600,000	3¾	1986*	3.80%

for the purpose of providing aid for school construction in the State, the amounts thereof to be repaid, in whole or in part by the districts receiving aid.

4,200,000	3¾	1982	100
4,600,000	3¾	1983*	100
4,600,000	3¾	1984*	3.80%
4,600,000	3¾	1985*	3.80%
4,600,000	3¾	1986*	3.80%
4,600,000	3¾	1987*	3.80%

†Yield to maturity.

*Bonds maturing 1983-87, incl., subject to call at par, plus accrued interest, on and after March 1, 1982, as described herein.

Tax Gain, Amortization of Premium

These bonds will be initially issued by the State of California at not less than their par value, and a taxable gain may accrue on bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.

Legal Opinion

These bonds are offered when, as and if issued and received by the underwriters listed below as well as other underwriters not shown whose names will be furnished on request, and subject to approval of legality by The Honorable Stanley Mosk, Attorney General of the State of California, and by Messrs. Orrick, Dahlquist, Herrington & Sutcliffe, Attorneys, San Francisco, California.

Bank of America N. T. & S. A. — Bankers Trust Company — The First National City Bank of New York — The Chase Manhattan Bank — The First National Bank of Chicago — Halsey, Stuart & Co. Inc. — Blyth & Co., Inc. — The First Boston Corporation

Harriman Ripley & Co. Incorporated — Harris Trust and Savings Bank — Smith, Barney & Co. — Wells Fargo Bank American Trust Company — Security First National Bank — California Bank Los Angeles — Drexel & Co. — Glore, Forgan & Co.

Chemical Bank New York Trust Company — C. J. Devine & Co. — Continental Illinois National Bank and Trust Company of Chicago — The Northern Trust Company — Crocker-Anglo National Bank — R. H. Moulton & Company — Goldman, Sachs & Co. — Kidder, Peabody & Co.

Eastman Dillon, Union Securities & Co. — Bear, Stearns & Co. — Merrill Lynch, Pierce, Fenner & Smith Incorporated — Dean Witter & Co. — White, Weld & Co. — Blair & Co. Incorporated — Weeden & Co. Incorporated — The First National Bank of Boston

The First National Bank of Oregon — The Philadelphia National Bank — Seattle-First National Bank — Equitable Securities Corporation — Stone & Webster Securities Corporation — Phelps, Fenn & Co. — Salomon Bros. & Hutzler

R. W. Pressprich & Co. — Paine, Webber, Jackson & Curtis — Mercantile Trust Company — Shields & Company — Reynolds & Co. — J. Barth & Co. — Ladenburg, Thalmann & Co. — John Nuveen & Co. (Incorporated) — William R. Staats & Co.

Hornblower & Weeks — Wertheim & Co. — Hayden, Stone & Co. — A. C. Allyn and Company Incorporated — First Western Bank and Trust Company San Francisco, Calif. — E. F. Hutton & Company — Carl M. Loeb, Rhoades & Co.

American Securities Corporation — James A. Andrews & Co. Incorporated — Bache & Co. — Bacon, Whipple & Co. — A. G. Becker & Co. Incorporated — Branch Banking & Trust Company — Braun, Bosworth & Co. Incorporated — Alex. Brown & Sons — Clark, Dodge & Co. Incorporated

Dick & Merle-Smith — Dominick & Dominick — Fidelity Union Trust Company Newark, N. J. — First of Michigan Corporation — Gregory & Sons — Hallgarten & Co. — Ira Haupt & Co. — Hemphill, Noyes & Co. — W. E. Hutton & Co. — Laidlaw & Co.

Lee Higginson Corporation — W. H. Morton & Co. Incorporated — F. S. Moseley & Co. — National State Bank of Newark — Roosevelt & Cross Incorporated — L. F. Rothschild & Co. — Shearson, Hammill & Co. — Stone & Youngberg — Stroud & Company Incorporated — Taylor and Company

B. J. Van Ingen & Co. Inc. — G. H. Walker & Co. — Adams, McEntee & Co., Inc. — Barr Brothers & Co. — J. C. Bradford & Co. — Coffin & Burr Incorporated — F. W. Craigie & Co. — Francis I. duPont & Co. — Estabrook & Co. — First Southwest Company

Fitzpatrick, Sullivan & Co. — Kean, Taylor & Co. — The Marine Trust Company of Western New York — The National City Bank of Cleveland — Wm. E. Pollock & Co., Inc. — Trust Company of Georgia — Tucker, Anthony & R. L. Day — Wachovia Bank and Trust Company

Wood, Struthers & Co. — Anderson & Strudwick — Bacon, Stevenson & Co. — Baker, Watts & Co. — Baxter & Company — C. F. Childs and Company Incorporated — City National Bank & Trust Company Kansas City, Mo. — Commerce Trust Company Kansas City, Mo. — Davis, Skaggs & Co.

Dempsey-Tegeler & Co. — R. S. Dickson & Company Incorporated — A. G. Edwards & Sons — Eldredge & Co. Incorporated — First National Bank in Dallas — Geo. B. Gibbons & Company Incorporated — Goodbody & Co. — Hirsch & Co. — J. A. Hogle & Co.

The Illinois Company Incorporated — A. M. Kidder & Co., Inc. — Lawson, Levy, Williams & Stern — Irving Lundborg & Co. — Mason-Hagan, Inc. — Mercantile-Safe Deposit and Trust Company — Rand & Co. — Republic National Bank of Dallas

Schwabacher & Co. — Shuman, Agnew & Co. — F. S. Smithers & Co. — Stern Brothers & Co. — Spencer Trask & Co. — Chas. E. Weigold & Co. Incorporated — J. C. Wheat & Co. — Robert W. Baird & Co. Incorporated — William Blair & Company

Blunt Ellis & Simmons — Bramhall, Falion & Co., Inc. — I. L. Brooks & Co. Incorporated — Fahnestock & Co. — The First Cleveland Corporation — Hannahs, Ballin & Lee — Chester Harris & Co., Inc. — Industrial National Bank of Providence

Kalman & Company, Inc. — Kenower, MacArthur & Co. — King, Quirk & Co. Incorporated — Mercantile National Bank at Dallas — The National Bank of Commerce of Seattle — Newhard, Cook & Co. — New York Hanseatic Corporation — The Ohio Company

Rauscher, Pierce & Co., Inc. — The Robinson-Humphrey Company, Inc. — Tripp & Co., Inc. — Van Alstyne, Noel & Co. — Wells & Christensen Incorporated — R. D. White & Company — The White-Phillips Company, Inc. — J. R. Williston & Beane

Robert Winthrop & Co. — Barret, Fitch, North & Co. Incorporated — The Boatmen's National Bank of St. Louis — Brush, Slocumb & Co., Inc. — Julien Collins & Company — Dreyfus & Co. — Elworthy & Co. — Fahey, Clark & Co. — Federation Bank and Trust Co.

Field, Richards & Co. — The First National Bank of Birmingham — The First National Bank of Memphis — The Fort Worth National Bank — J. B. Hanauer & Co. — Hayden, Miller & Co. — Hill Richards & Co. Incorporated — Lyons & Shafto Incorporated

McDonald & Company — Wm. J. Mericka & Co., Inc. — Merrill, Turben & Co., Inc. — Model, Roland & Stone — Mullaney, Wells & Company — Park, Ryan, Inc. — Reinholdt & Gardner — Seasongood & Mayer

Herbert J. Sims & Co., Inc. — Stern, Lauer & Co. — Third National Bank Nashville, Tenn. — Wood, Gundy & Co., Inc. — Zahner and Company — Auchincloss, Parker & Redpath — Bartow Leeds & Co. — Boettcher and Company

Bosworth, Sullivan & Company, Inc. — City National Bank and Trust Company of Chicago — John W. Clarke & Co. — Courts & Co. — Cruttenden, Podesta & Co. — Curtiss, House & Company — J. M. Dain & Co., Inc. — Dallas Union Securities Co., Inc.

Dittmar & Company, Inc. — Ellis & Company — Ernst & Company — First National Bank Minneapolis, Minn. — The First National Bank of Saint Paul — Frantz Hutchinson & Co. — Freeman & Company — Ginther & Company — Granbery, Marache & Co.

Green, Ellis & Anderson — Hooker & Fay, Inc. — Laird, Bissell & Meeds — John C. Legg & Company — A. E. Masten & Company — McCormick & Co. — McDonnell & Co. Incorporated — The Milwaukee Company — Moore, Leonard & Lynch

Newburger, Loeb & Co. — Northwestern National Bank of Minneapolis — Putnam & Co. — Raffensperger, Hughes & Co. Incorporated — Rippel & Co. — Rotan, Mosle & Co. — Russ & Company Incorporated — Schmidt, Roberts & Parke

Stern, Frank, Meyer & Fox — Sterne, Agee & Leach — Stockyards National Bank — J. S. Strauss & Co. — Suplee, Yeatman, Mosley Co. Incorporated — Townsend, Dabney & Tyson — M. B. Vick & Company — Winslow, Cohu & Stetson Incorporated

January 12, 1961

A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.

LETTER TO THE EDITOR:

New Haven Reader Hits Gold Reserve Proposals

Those who advocate departing from the gold standard and relying on prudent management of our finances are queried on their concept of a sound and honest dollar. Questioned in particular are Per Jacobsson of the International Monetary Fund and Henry C. Alexander of the Morgan Guaranty Trust of New York.

Editor, Commercial and Financial Chronicle:

It is surprising, and indeed alarming, to read of opinions held by people in high stations as to what constitutes a sound and honest currency. A few examples drawn from the daily press will suffice to illustrate my point:

A prominent columnist, who frequently writes on economic problems, has this to say in one of his recent articles: "A leading American banker and the head of the International Monetary Fund have urged doing away with this gold reserve rule (the 25% gold backing for bank notes) as outdated and as a drag on U. S. international dealings." What in heaven's name can these so-called experts be thinking when they feed the public that sort of nonsense? Don't they know that the real value of a circulating paper money, in order to be sound and honest, must be predicated on its being "the representative of gold and silver"; and that unless that paper money is redeemable, on demand, in gold and silver it is "miserable, abominable and fraudulent" (Daniel Webster in his address before the U. S. Senate on Feb. 22, 1834).

The columnist referred to continued the article in question with the following paragraph:

"Henry C. Alexander, chairman of Morgan Guaranty Trust of New York, holds that since U. S. citizens can't turn in their paper money for gold, the reserve is of questionable value to them, even psychologically and that all our gold should be held merely for the settlement of international transactions. He argues that sound money isn't based on gold reserves but on prudent management of Federal finances and on efficient production of American industry and trade." But just how "prudent" has the "management of (our) Federal finances" been in recent decades? A glaring example of lack of "prudence" is the giveaway program in which we have been engaged ever since World War II—as the following will bear out:

According to the Dec. 12 issue of *U. S. News & World Report* (p. 40): "In the era now ending, America handed out 62 billion dollars in gifts. It provided another 12 billion dollars in loans, many of which turned out to be gifts." Contrast with that lack of "prudence" on the part of our government, the wisdom of backward China in supplying Cuba with a sizable monetary benefit. Did they give Cuba the money? No, they were "prudent" enough to merely loan Cuba the money at no interest—thus leaving an obligation on Cuba's part to repay the loan if and when she is able to do so. But we, in our alleged wisdom, gave away billions, which, presumably, Mr. Alexander considers as "prudent management of Federal finances"; and which, unless something can be done to stop the outflow of gold from the U. S. Treasury occasioned by those gifts may result in the exhaustion of our stockpile of gold, leaving nothing to support our paper money but the portraits of such great leaders as Washington, Jefferson and Lincoln we proudly exhibit on our present fiat paper money.

Getting back to the columnist whose article prompted this letter, he includes the following statement: "And a hard core of gold standard men want the law junked altogether and would have us go back to the old days when every dollar was backed by gold, and freely exchangeable." Yes, every paper dollar of our money should be "backed by gold"; but it doesn't mean we need as much gold as we have paper money in circulation, for a 25% gold-coverage is ample—since few people would be so foolish as to sacrifice the earning power of their dollars in savings banks and other investments in order to hoard gold at no interest return. It merely means that the American people have a right to the positive assurance that our paper money shall be maintained "as good as gold"—and only return to the gold standard can give that assurance. With that forthrightness on the part of our government there need be no fear that the American people will raid our stockpile of gold.

Let us hope that "leading American bankers" and those in control of the "International Monetary Fund" will have the wisdom to work for domestic return to the gold standard (the basis on which we operate with foreign central banks and nations), and stop telling the general public that gold is "outdated" as a basis of value for a nation's currency.

FREDERICK G. SHULL,
2009 Chapel St., New Haven 15, Conn.

S. Schramm Offers Heldor Elec. Com.

Pursuant to a Dec. 21 offering circular, S. Schramm & Co., Inc., New York 5, N. Y., publicly offered 100,000 shares of this firm's 10 cent par common stock at $3 per share.

Heldor Electronics Mfg. Corp., 238 Lewis Street, Paterson, N. J., came into existence on May 1, 1960, as a result of a consolidation of three corporations named Heldor Manufacturing Corp., Heldor Bushing & Terminal Co., Inc. and Heldor Hermetic Seal Co., Inc. In 1946, Harold J. Ellington and another person formed a co-partnership known as Heldor Bushing & Terminal Co. which was incorporated in New Jersey on Jan. 14, 1949 as Heldor Bushing & Terminal Co., Inc., with Harold J. Ellington and his wife, Helen S. Ellington becoming the owners of all the issued and outstanding stock of Heldor Bushing & Terminal Co., Inc. a year later, when the Heldor Bushing & Terminal Co., Inc., purchased all other outstanding shares. Heldor Manufacturing Corp. started business in 1952 with the Ellingtons taking over complete control of all the issued and outstanding stock during 1955. The Ellingtons also owned and controlled Dukes Manufacturing Co., which acted as a holding company for certain interests of the Ellingtons, with Dukes Manufacturing Co. being merged into Heldor Manufacturing Corp. during October of 1959. Heldor Hermetic Seal Co., Inc., a New Jersey corporation, was formed by Harold J. Ellington as sole stockholder in 1954.

The company manufactures fabricated metal and drawn metal enclosures in addition to compression-type hermetic seal terminals and bushings for the electronics industry. The sales are currently running at approximately $1,000,000 per year, with about $650,000 in sales representing military sales and approximately $350,000 representing commercial sales. The engineering and design services of the company are included as an overhead item, so that there is no separate billing for such services. The company's products have been sold and are currently being used throughout the United States, Canada and Germany.

Since the underwriting agreement makes the public offering an "all or nothing offering," the company expects to receive $224,000 as a result of the public offering, which sum will be used approximately as follows:

(1) Reduction of notes and advances payable	$14,000
(2) Payment of accounts payable	80,000
(3) Purchase of equipment and tooling	50,000
(4) Purchase of inventory	80,000

Jay W. Kaufmann Markets Chemtronic

The company makes and sells miniature aluminum foil electrolytic capacitors, and its customers include many of the leading builders of electronic equipment in the United States. During the last fiscal year no customer accounted for as much as 15% of the company's sales.

No part of the company's sales were made directly to the United States Government. The company estimates that less than 1% of its sales were made to manufacturers for use in the United States Government contracts. All of the company's sales are made by sales representatives, each of whom is an engineer selling compatible lines in an exclusive territory.

The company's products are primarily standard items made to manufacturers' specifications on a contract basis. The company also maintains a catalog and price list of standard items. Usually, as at present, the backlog at a given time consists of a large number of orders scheduled for short-term delivery, no one of which accounts for a large percentage of the total. As of Oct. 31, 1960, the backlog amounted to approximately $35,000 as against a backlog of $27,000 on Oct. 31, 1959.

Joins Schirmer, Atherton

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Robert F. McKeon has joined the staff of Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges.

Two With White, Weld

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Rufus C. Cushman, Jr. and John W. MacDuffie are now affiliated with White, Weld & Co., 125 High Street.

With Powell, Kistler

(Special to THE FINANCIAL CHRONICLE)

FAYETTEVILLE, N. C.—George D. Vick, Jr. is now connected with Powell, Kistler & Co., 110 Old Street, members of the New York and Midwest Stock Exchanges.

Hill, Darlington Office

DELRAY BEACH, Fla. — Hill, Darlington & Grimm has opened a branch office at 704 East Atlantic Avenue under the management of William L. Purcell.

Anthony J. Cuculic and Frank J. Leahy will be associated with the new office as registered representatives.

AS WE SEE IT

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which the President-elect is surrounding himself undertake to carry over into this new field the theory so widely held in the contra-cyclical thinking to the effect that the main problem is to place adequate "purchasing power" in the hands of the consumer? The fact is that this is a rather bad time to preach this doctrine even when applied to contra-cyclical activity. Year after year and, with very few exceptions, month after month, for a very considerable period of time both personal income and disposable income (that is personal income less taxes) have been rising, and stand today at an all-time high.

The same is generally true of the consumption expenditures of individuals. If the recession, which the new politicos and others now about to descend upon the national capital regard as pronounced, could and did occur when the individual in the land "never had it so good" and never more readily parted with his cash for consumer goods, how can it be argued that a further increase in the economic position of the consumer would relieve the situation? Still less can it be claimed that such a remedy would make certain of a continuing boost to business so that its total output (which is the measure commonly used in the measure of economic growth) will continue to rise through the years ahead.

One of the reasons why consumer income and consumer expenditures could rise through recent years when the total output of goods and services showed no corresponding increase is, of course, the large part so-called "transfer payments" (that is payments made to individuals without reference to earnings during the period) have under the various New Deal arrangements assumed in the income of individuals. These payments incidentally, are listed among the "cyclical snubbers" allegedly capable of eliminating or greatly reducing the severity of recessions or depressions. It is now obvious that whether or not they make any great contribution to the contra-cyclical efforts of the day, they certainly are not likely to do very much for long-term growth so dear to the hearts of the Kennedy entourage and the President-elect himself.

Tax Reductions?

Another program apparently in high standing with the economists of the New Frontier is remission or reduction in the income taxes now levied upon the individual. This is ordinarily thought of as a contra-recession measure rather than a promoter of growth in the years ahead. But, of course, it is but another suggestion for increasing the disposable income of individuals, and as such is subject to the infirmities any such program must suffer when the income of individuals and their expenditures on consumption are already at record highs. It is likewise subject to criticism by reason of the fact that so many individuals pay no Federal income tax in any event, with the consequent suspicion that such a tax policy even temporarily adopted would not promote consumption. In any event it can hardly be viewed as a suitable growth stimulus.

Still another notion is often presented when discussions of long-term economic growth is under scrutiny. It is that an increase in outlays by government itself for various purposes that would supposedly create valuable assets are definitely in order on broad grounds of public policy, and, in addition, would tend to stimulate the desired economic growth over the years. Federal aid to education and sundry programs for the resuscitation of "depressed areas" are already "in the works." But would these be net additions to economic production? Where would the government get the funds for such purposes without taking them from individuals and corporations which themselves would spend it readily enough? We hope that the new Administration is not willing to proceed upon the basis of deficit financing through the commercial or the Reserve banks. In any event, it is evident that the full, long-term effect of such suggested programs as these upon the country's economic growth and welfare has not had any very real study and analysis up to this time—at least not among those who are now planning to make them effective.

Much more could, of course, be said on the subject. But there is nothing to be gained by laboring the point. It is evident that those who now have become the chief advocates of growthmanship have not taken the time to study the ways and means at their disposal or even to arrive at an intelligent conclusion about the ultimate effects of such programs as have been suggested. Unfortunately, no one has suggested that government stand aside and give full sway to the natural forces that actually did bring astonishing growth in years past.

The Dollar versus Gold

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or break the tie to gold at its current valuation.

A decision between the dollar and gold will have to be faced when the gold stocks of the United States are depleted to some critical level at which confidence in our ability to maintain convertibility of the dollar into gold is lost. This event, which would force a redefinition of the dollar in relation to gold, could of course be postponed or possibly even avoided, but only by stern measures that in themselves would create conditions the American electorate may not be prepared to accept.

Loss of Gold by the United States

The stocks of monetary gold held by the Federal Government have declined from a high of $24,563,000,000 in 1949 to a low of $17,986,000,000 in November, 1960. Gold losses in the past two years have been $2,275,000,000 in 1958, $1,075,000,000 in 1959 and are already over $1,500,000,000 in 1960. At the same time, short term claims in dollars in foreign hands including securities that could be converted into dollars have increased by over $1,400,000,000 since the first of the year and will probably reach a total of well over $18,000,000,000 at the end of December, 1960. Offsetting claims held by Americans are substantial, but for the most part are long term. The increase in short term debts in a very real sense reduces the liquidity of the dollar as it is measured by the ease of certainty with which such claims can be promptly converted into gold. Consequently, in appraising the adequacy of American gold reserves, an increase in the short term debt held outside the country is no less significant than an actual decline in the national gold stock itself.

This disturbing trend will of course continue as long as there is a substantial deficit against the United States in the balance of international payments. In the current year, in spite of a timely increase in the balance of trade to close to $4.8 billion, the outflow of dollars for other purposes will result in a net deficit in payments that will probably approach $3.5 billion by the end of December 1960, which will of course be reflected in the final figures for the loss of gold and the increase in short term claims.

Although foreign creditors still appear quite content to hold our currency, the dollars in their hands could be converted into gold and probably would be to as full an extent as possible, if serious doubt should arise with regard to the stability of the dollar. If gold were demanded for less than half of these claims, the gold stocks of the country would be reduced below the reserve of 25% that the Federal Reserve System is required by law to hold in gold certificates against notes and deposits. At present this is slightly under $12 billion. This percentage could of course be reduced by Congress, as it was in 1945, when the minimum requirement was changed from 40% to 25%. If a currency is held in high confidence, the gold reserve behind it indeed could be safely lowered; but under present circumstances, with domestic inflation still a serious threat to the dollar and the bad habit of deficits still not broken, a move to reduce the gold backing of the currency might have most serious repercussions and create a concern about the dollar that could lead to a precipitate outflow of gold. Repeal of the 25% minimum requirement that was proposed recently by a distinguished American banker would be an invitation to our uneasy creditors to convert their doubtful paper dollars into gold.

A recommendation of this sort from the head of a highly respected institution is not only untimely but profoundly shocking, for if it were adopted the dollar would not be far removed from a fiat currency. Indeed, it reveals very clearly the depth of the conflict between gold and the dollar.

Means of Relief

The seriousness of the situation created for the United States by persistent deficits in the balance of international payments now appears to be clearly recognized in responsible circles. Efforts are being made, somewhat belatedly to be sure to correct the imbalance against us before the mounting claims become so critical that our freedom of action is seriously restricted. A certain degree of scepticism, however, may be warranted with regard to their effectiveness.

Emphatic denials that any change will be made in the gold content of the dollar are of course in order at this stage. It is however, a bit disquieting to think that our officials perhaps mean what they say, for this would not be in the best traditions of the money managers when faced with conditions of this sort.

To provide relief for the dollar, the currently favorable balance of trade should be protected and the burden of foreign aid now carried almost alone by the United States should be reduced by efforts such as the following:

(1) Control of domestic inflation by restraints on wage increases and prices, and by appropriate monetary and debt-management policies; (2) improvement of the competitive position of American goods abroad, not only through pricing but also by other means of effective marketing; (3) correction of policies of the American Government that have artificially priced many of our products out of the market; (4) adjustment of productivity to full capacity of available foreign as well as domestic markets; (5) removal of trade barriers and discrimination against American goods, now no longer defensible with termination of the so-called dollar shortage; and (6) participation of other nations now restored to economic competence in the costs of mutual defense and non-military aid to underdeveloped countries. These proposals listed above are directed toward strengthening our economy at home and our ability to compete abroad.

If these stimuli are not pushed to the point of relieving the deficit in international payments to a significant degree and halting the outflow of gold, an emergency will surely arise that might well lead to drastic and unfortunate steps such as: (1) restriction of imports; (2) limitation of funds for foreign travel by Americans, or provided for living abroad; (3) curtailment of American investment in other countries; (4) sharp reduction of foreign aid; and (5) increased interest rates to hold foreign funds in the United States. I am confident, however, that wiser councils are likely to prevail and that broader considerations will determine the course of action.

Means of improving the competitive position of American goods in foreign markets by better control of costs, by maintaining production at a high level, by emphasizing products that have appeal in other countries and by more intelligent techniques of marketing need most urgent consideration as do the many steps that might be taken on the political front to restrain the demands of labor unions and to improve the efficiency of our industrial enterprises. A healthy growth in our capacity to produce is indeed a vital consideration, but the preservation and enlargement of a market in which to sell the output of our great plants is of equal importance. The pattern of wage increases forced by union power without improvement in productivity must be changed, deficits and debt must be controlled, and the habit of living beyond our means internationally as well as within our borders must be corrected if further depreciation of the dollar is to be avoided.

Desirable as these objectives are, however, it seems to me to be unlikely that they will be pursued with sufficient vigor to relieve to more than a very partial degree our troublesome deficits in international payments. Serious losses of gold will in all probability continue, which will inevitably bring us face to face with the resolution of the fundamental question: Is the basic money of the free world the dollar or gold?

A New Gold Dollar

If gold prevails and retains its unique monetary status — and I have no doubt it will — the dollar will have to be reduced in gold content in proportion to its depreciation in value. Without full restoration of the gold standard, however, accompanied by revaluation to reflect the changes in the ratio of currencies to gold that have taken place, an increase in the price of gold in dollars would be simply one more move of inflationary character — one more bad step in a wicked sequence. With all major currencies again made freely convertible into gold at fixed rates agreed upon among the respective governments, their revaluation would be merely a belated recognition of the actual and relative inflation that has already occurred and would serve as a means of checking further depreciation of the monetary units and of holding them reasonably stable at their newly adjusted levels.

There is some indication that the decline of the national gold stocks to below $18 billion in the past few weeks has at last shaken the complacency of some of our leading money managers, but I am sure that any proposal to decrease the gold content of the dollar—or to raise the price of gold—would still be looked upon with horror by probably the vast majority of American bankers and economists. In their eyes, such a step would be a devaluation of the dollar and a virtual admission of international bankruptcy.

Devaluation is indeed a most distasteful and truly reprehensible act on the part of any government, but that is not what is being proposed. I insist that with the serious inflation we have suffered since 1940, the dollar has already been sharply devalued, as anyone who pays his bills in the contemporary circulating media in the many forms that pass for money realizes all too painfully. What is being attempted by the money managers of the United States, unwittingly I am sure, is the devaluation of the basic standard of monetary measurement itself by forcing gold to accompany a paper currency in its depreciation. If charges are to be made on moral grounds, they should be brought against those responsible for the conditions that brought about the great inflation of the past two decades that has literally confiscated more than half of the wealth accumulated in bonds, insurance and pensions on which millions of citizens of modest means have depended for their protection.

Gold Policy in Relation to Inflation and Deflation

Inflation, in spite of its many manifestations and accompanying effects on the economy, is a rather simple monetary phenomenon. Its immediate cause is the creation of an over-abundance of money in one way or another. The printing press provides an obvious means, but monetization of debt is as effective and far easier to conceal. Unless a government is most irresponsible, however, such actions are not taken by free choice. They are compelled by conditions that create tremendous deficits and by considerations that make alternate ways of meeting the situation so unpalatable as to be politically or socially impossible.

Within my lifetime, the world has suffered two major disasters —World War I and World War II —and the long train of troubles that followed each which compounded the direct losses and destruction. Under such conditions, no monetary system would survive without drastic changes. If the gold standard could have been maintained it would have meant deflation to the extent that labor would have been forced to contribute its services at bare subsistence levels and all resources made available without change in prices and at rates imposed by

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the demands of a life-and-death struggle. Excessive profits would have gone to the owners of money and to those who held others in debt. This extreme obviously would not have been tolerated by the people under a Democratic or Republican government — nor could it have been enforced even by a dictator foolish enough to entertain the possibility.

It is not surprising that the gold standard, as it was established before the wars broke out, was unable to function under conditions of international strife that interrupted all normal procedures of trade and commerce. The safeguards for property, for savings and for preservation of the value of money that gold alone can effectively provide were inevitably suspended when the urgent demands of war had to be met. Now that the worst of the struggle is over, however, thought should be given to means by which restoration of the monetary procedures that served so well prior to the wars could be accomplished, and by which the vast power of gold could be most effectively employed to promote monetary stability throughout the world.

Britain's attempt in the Twenties to re-establish the gold standard with the pound sterling at the prewar ratio to gold was in the light of subsequent events clearly an unwise move, though it may be admired as an honest effort to pay debts in the coin in which they were contracted. Unfortunately the painful fact was overlooked that creditors too must suffer from the effects of war and the waste of national resources; and that repayment of war debts in full to those who held them would impose an intolerable burden on the rest of the economy. The sweep of events soon forced Britain to abandon the gold standard that had been re-established in this unrealistic way without recognition of the magnitude of the disaster of total war even to the victors. The United States, less severely strained, persisted in maintaining its currency on the prewar gold standard with the dollar fully convertible without restrictions into gold at $20.67 per ounce until the depression hit with full force.

If the old gold standard were now re-established with the ratio between gold and the dollar maintained at the prewar level, as a few purists in the economic world still futilely urge, it could be maintained only if the purchasing power of gold and the dollar were effectively increased by a fall in prices and wages. From a practical standpoint, however, we must recognize that a deflation of this order would be extremely disturbing and unpopular. Too many in this era have become accustomed to the easy living and high spending that temporarily accompanies inflation. No politician, dependent on public support, and few businessmen or bankers in spite of their pronouncements against inflation, are likely to favor any move that would reverse the trend and increase the risk of a drastic depression that they probably with reason fear might have far-reaching social consequences.

Agrees With Philip Cortney

This is, of course, not the place to discuss the causes of the depression of the Thirties—that complex economic phenomenon—but I do submit that the maintenance of the gold standard at the old prewar gold-dollar ratio was a factor that contributed in no insignificant degree to its severity and length in the United States, as Philip Cortney in his many articles has so clearly argued. The revaluation of the dollar by changing its gold content from $20.67 per ounce to $35 per ounce was a wise move though taken too late to be as effective as it might have been—and unfortunately it was not accompanied by full convertibility and other traditional provisions of the gold standard. It merely adjusted the remnant of the gold standard to the depreciation of the dollar caused by the first world war, and though it had little immediate effect on domestic prices, as the principal advocates of the move then expected, the revaluation of the dollar in terms of gold at that time undoubtedly was helpful in promoting better balances in international trade.

Now, some 15 years after the far greater economic disturbances of the second world war, we find the United States still endeavoring to maintain its dollar in foreign trade at a prewar ratio to gold—$35 per ounce—in spite of the drastic decline in its domestic purchasing power. To a very real degree, we appear to be making the same mistake Britain did after the first World War. This time, however, the error was not repeated in London. The timely devaluation of 1949 and the subsequent restraints imposed on inflation have made the pound sterling again one of the world's strongest currencies. In these actions, Britain has set an example that the United States might well study.

Close comparisons between the period after the first world war and the second may not be warranted, but some similarities in monetary policies and their effects are worth pointing out. Certain evils of the earlier period have been avoided, but new ones of even more serious nature have been created that make it unsafe to assume that a depression as drastic as that of the Thirties cannot happen again. The details may be different but the basic cause of trouble is the same—viz., the burden of debt created by the destruction and excessive waste from wars and their aftermath that in the end must be faced. The bills eventually will come due. So far, they have been paid by devices that have inevitably resulted in depreciation of currencies, which is merely a less obvious and selective way of confiscating accumulated wealth. The urgent problem now is to adopt and enforce monetary procedures that will check further extreme inflation and lessen the severity of the deflationary phase of the cycle that in all probability will eventually occur.

Both periods of excesses and extravagances—the boom of the Twenties and our present era of high living—are in my judgment likely to lead to corrections of drastic sort. My hope is that we may still be farsighted enough at this stage to establish a new and stable base for our monetary system in time to avoid extremes and to mitigate the worst hardships. Although restoration of the gold standard with all its traditional functions unimpaired—even coinage of the metal—is in my judgment the first essential move, I am no less concerned that gold and the dollar will be fixed at a ratio that can be maintained and that will have a restraining effect on inflationary practices as well as on conditions that could make a depression particularly severe.

The Desired Gold-Dollar Ratio

Those of us in the gold mining industry naturally have a very deep concern about what may be called the price of gold. Our arguments unfortunately — even on the highest and most enlightened plane—are generally regarded as self-serving. But I assure you that the scornful comments of some of our critics do not shake my conviction that the changes in the monetary policies related to gold that have been urged at least by a few of us are essential for the economic welfare of our country, as well as beneficial to the rest of the world. The advantages that they might bring to the gold mining industry here and elsewhere would of course be most acceptable to us, but this is a relatively minor consideration. I might mention, however, in passing that a coincidence between one's deep convictions and one's business interests makes it possible to assume a high moral tone in the argument that is particularly enjoyable.

Now that I have brought myself squarely to the subject, it is hardly fair to avoid facing the question: What should the price of gold be if the gold standard is to be re-established and the dollar and hopefully other currencies be redefined in terms of gold?

Ideally, the gold content of the monetary units, when fixed, should be in accord with the existing purchasing power of the dollar and other currencies, and should take into account the present standing of the various depreciated currencies, the obligations and commitments that must be met in them, the available stocks of monetary gold, and the expected annual increment to the world's monetary gold, including not only new production but also the quantities that might emerge from private holdings at a given price.

I doubt if any person or any agency committed in principle to restoration of the gold standard and provided with a most generous supply of the pertinent facts could be counted upon to make a proper evaluation and relative weighting of the many complex quantities that must be taken into account. Surely the wide differences between economists — even among those who profess to be specialists in monetary theory —make it hopeless to rely upon them for an answer. And most bankers are simply not interested in the question, basic though it is to their field.

Would Devalue Between $70-$100 Per Ounce

My own feeling—influenced as it unavoidably is by my prejudices as well as by my own particular bias in appraising the pertinent factors—is that the price of gold should be not less than $70 per ounce and probably not over $100 per ounce if gold is again to function effectively as a worldwide monetary base and to exert its traditional powers over governments and money managers who of necessity must operate within the disciplines that would be imposed both by the system and by their electorates.

A chorus of disapproval and condemnation has been and continues to be raised by those in high places in America against such a proposal whether or not accompanied by convertibility and other essential features of the gold standard. The money managers within and outside the Administration, as far as one may judge by their public statements, are unanimously in favor of maintaining the status quo. The gold standard, if mentioned at all, is regarded as serviceable only in its current restricted form and much is said about the need to uphold the principles of sound money by avoiding any change in the price of gold. In short, it is insisted that freedom of the money managers to meet the financial needs of the country should not be hampered by internal convertibility but left, in the words of one of the most scholarly of the advocates of the status quo, to the direction of the competent and responsible men in high places. With the dollar already reduced to less than half of its prewar value—and still depreciating—and with currencies of most other leading countries more than matching it in their decline in purchasing power, there would seem to be little basis for pride in the record to date or for claiming that the current program had given the country stable money or promoted this desirable end in the rest of the world.

At the other extreme are those Calvinists, who refuse to recognize the full extent of the abuse the dollar has suffered since 1914 and who insist that the prewar ratio—or price of $35 per ounce—must not be changed and that the full convertibility, domestic as well as foreign, which they also earnestly desire, must be at this rate. (Logically they should stand on the 1914 figure of $20.67 per ounce, but none is willing to go that far on behalf of the creditors.)

The rigid honesty in the stand that debts must be paid in money of the same quality as that which prevailed when they were incurred and that contracts should be strictly honored may be admired, but even such rules and procedures, basic as they are for the conduct of a true capitalistic economy in normal times, have to be modified by the harsh conditions created by worldwide disasters. A restoration of the gold standard with the gold content of the dollar unchanged could be reasonably urged only if it is believed that a period of deflation in wages, costs and prices in the United States is a political and social possibility. A gold standard restored on this basis could hardly survive unless the electorate and its representatives had the courage and fortitude to take the many drastic steps necessary not only to check inflation but also to restore to a substantial degree the former purchasing power of the currency. All in all, this method of regaining the full advantages of the gold standard would require such stern disciplinary measures that I think it can be dismissed as too unlikely to warrant much further debate at this time.

Points Raised Against Gold Price Rise

Among the arguments that are advanced with varying degrees of force, not to mention scorn and sarcasm, against any proposal that the price of gold should be raised, the following are perhaps regarded as most telling: (1) advantages to Russia from increasing the value of their gold in terms of dollars and/or other currencies; (2) the inflationary effect of increasing the dollar value of monetary gold reserves; (3) the forcing of a wave of devaluations of other currencies to match the change in gold content of the dollar; (4) the undeserved rewards of gold miners from a higher price for their metal; and (5) an excessive production of gold under the stimulus of a higher price with accompanying world wide inflationary effect.

Benefits to Russia. The facts about Russian gold are obscure to say the least, but it is reasonable to assume that the USSR has a substantial stock now on hand and an annual production that is exceeded only by the output of South Africa. An increase in the dollar price of gold would indeed enable the Russians to obtain more goods in international trade for each unit of gold. However, if the new price were not out of line with their actual production costs, the benefits would be modest and mutual advantages should result that are basic in fair trade. Furthermore, the stock of monetary gold in the free world, as well as the annual output from its many mining regions is far in excess of the most generous estimates of the Soviet position and any rise in the price of gold would give the free world many more millions of additional purchasing power and a far greater degree of financial liquidity than it would bring the Russians.

There is reason to think that the current Russian gold production is achieved at costs — even when expressed in their arbitrary terms—that are far higher than would be measured by $35 per ounce. The price at which gold is made available for domestic industrial uses is fantastically high. A reluctance to part with gold is revealed by the demand for credit to promote trade that was made by leading Russian officials on their visits to the United States. Indeed, the sales of gold by Russia under present conditions are more properly to be interpreted as signs of weakness rather than of strength.

Discusses USSR's Recent Devaluation

The recently announced creation of a "heavy ruble" was simply another devaluation of the Russian currency rather thinly disguised by double talk about the gold value of the new unit being higher than that of the dollar. The new currency was substituted for the old for all domestic purposes at the rate of one heavy ruble for ten previously in circulation—a sleight-of-hand performance that was accompanied by moving the decimal one point to the left in all their accounting.

The mere substitution of one heavy ruble for 10 old ones does not mean that the new ruble will be worth 10 times as much in gold or in dollars. If it were, the new unit would have an official exchange value of $2.50. Instead, it is declared to be the equivalent of $1.11. In gold, its content would have been 2.22168 grams, instead of the 0.987412 grams arbitrarily asigned to it. In terms of gold and foreign exchange, this is a devaluation of the Russian currency of 55.6%, or an increase in the price of gold in the basic Russian monetary unit of 2.25 times. A similar change in the United States would call for an increase in the price of gold from $35 per ounce to $78.75 per ounce.

This change really means rather little unless accompanied by steps to make the new ruble available as a monetary unit in foreign trade and to establish its standing by making it convertible into gold on demand of any foreign holder. This would be a great departure from current Russian trade practices that are usually conducted in foreign currencies and on a basis not far removed from barter. If it were done, it would certainly be an aggressive move to make the ruble a hard currency and to give it a much higher prestige in many parts of the world. No action of this sort, however, is indicated in the terse official announcements about the concealed devaluation, but the possibility should not be ignored by the strategists in the cold war.

A truly serious danger would arise, as I see the situation, if the Russians succeeded in producing a substantial surplus of some important items of trade that could be exported and sold at prices with which we could not easily compete. Balances in their favor resulting under such circumstances, if used to acquire gold at its present depressed value in dollars, would aggravate the flow of gold from the United States and might even draw gold from Europe to the real detriment of the financial strength of the free world. As long as the dollar is overvalued in gold, this threat will exist. In my judgment, it has become more serious with the recent devaluation of the ruble. We surely should take the leadership in the adjustment of inflated currencies to gold and not leave it to the Russians. With the gold standard restored on a basis that could survive in our portion of the world, we should be able to hold a commanding position; without it, we shall be most vulnerable when the Russians choose to use their gold as a weapon in the economic war.

Influence on Money and Credit

To turn to the second point, it is admitted that an increase in the dollar value placed even upon the currently depleted stock of monetary gold in the United States would indeed be inflationary if the officials of the Treasury and the Federal Reserve Board should elect to use the additional power it would give them to expand the currency and credit. We should, however, assume that the experienced men who make up these responsible bodies would use their power to manage money more wisely and that the additional dollars represented by the gold stock at the higher gold-dollar ratio could easily be prevented from creating new credit. The dollars resulting from the increase in price of gold could, as before, be kept inactive, though available for use if critical need should arise. Indeed, it would surely be within the power of the U. S. Treasury and the Federal Reserve Bank to use the increment in dollar value of the gold stock as a reserve to retire debt and to take this action when it seemed desirable.

Critics of a higher price for gold have said that its advocates argue both ways, depending on the state of the economy. This is true for we insist that the policy we urge would promote stability and impose restraints on further inflation as well as on deflation and depression. Restoration of the gold standard, including the right of citizens to convert their dollars into gold, would make it possible for the electorate to put an effective curb on inflationary practices, when the depreciation of the currency aroused justifiable fears. On the other hand, the higher value placed on gold would give the Federal Reserve Bank additional power that it might use if needed to keep deflationary forces under control and thus promote stability. The principal significance and opportunities for helpful service from an increase in the price of gold would, however, be in international transactions, where the new ratio of the dollar to gold—and hopefully the adjusted ratios of other currencies to the common base of gold—would permit free convertibility into gold at known, accepted and fixed ratios without disturbing dislocation of domestic and international business and trade that should bring new confidence into all aspects of the industrial and commercial world.

Effect on Other Currencies

A further hostile comment on a revaluation of the dollar is that it would immediately set off a series of revaluations—devaluations if you will—of other currencies. Admittedly it would, but such a period of adjustment would be well warranted as a means of achieving ratios that would endure when fixed. With convertibility into gold accepted by all, a common standard for reference would be available and attempts to set relative values out of line with economic realities would promptly be revealed by gold withdrawals that would lead to measures to correct unsound practices. Agreement on relative rates and on gold content of major currencies would surely be one of the basic issues to be settled by negotiation during the embargo on gold payments and movement of capital that would undoubtedly be the first step toward revaluation of the dollar and other currencies and reestablishment of their convertibility into gold.

Benefits to gold miners. The argument that an increase in the price of gold would bring undeserved and improper rewards to the gold miners leaves me cold—as might be expected. The gold mining industry in the United States has been almost extinguished by the current monetary policy under which profits have been gradually pinched out between the fixed price in paper dollars that must be accepted for all gold produced and the rising costs as services and supplies have to be met in a depreciating currency.

The total gold output of the country has declined from a prewar high of 4,863,000 ounces in 1940 to 1,565,000 ounces in 1959. Of this production, about a third comes from one mine, the Homestake. The second producer in the country is the great pit of the Kennecott Copper Corporation at Bingham Canyon, Utah, where gold is a relatively minor, though significant, byproduct. Other porphyry copper mines in Nevada and Arizona and New Mexico also make a contribution to the gold output that in the aggregate is a substantial fraction of the country's output. The Golden Cycle Company with a custom mill in Cripple Creek, Colorado, enables some of the mines in that famous old district to maintain a small output, but elsewhere, except for two old dredging companies in California, working the gravels on the margin of the Sierra Nevada block, the few mines still alive are of negligible size and hardly doing more than breaking even. None of the mines of the Mother Lode of California, once the principal gold mining region of the continent, is in operation.

The Homestake Mine in the Black Hills of South Dakota, with a total production of around 24,500,000 ounces and an output in 1959 of 573,000 ounces still ranks as the major gold mine of the North American continent. It, however, has reached a depth of 6,200 feet and if present monetary practices continue, its life will be materially shortened as rising costs in paper dollars reduce the reserves of ores that can be mined profitably. If some relief is received through a higher price for gold, it should be regarded not as a windfall but as a long overdue return to an industry that has played and could continue to play a great part in the development of our country.

An even more specious argument is that an increase in the price of gold would bring very special benefits to South Africa. Admittedly the State Department likes to call its shots and bestow the benefit of dollars around the world where in its judgment they will be most effective in promoting our national objectives. In my more jaundiced moments, however, I am inclined to think that the United States might have more friends and fewer enemies if it had relied upon the impartial benefits that could be attained through an increase in the price of gold, instead of the process of selective largess that has been employed and is proving to be so difficult to stop without creating ill will.

Impact on World Production

A question that may properly be put to mining geologists and engineers, when the position of gold as a monetary base is under discussion, is whether or not the mines of the world can produce the annual increment to the gold stock needed for stability, if gold is to continue to be the basic standard against which the values of currencies are measured and compared. The possible impact of a marked increase in gold production might also be raised, for even the value of gold as money does not entirely escape from the influence of the law of supply and demand.

It is, however, difficult to make an appraisal of the changes to be expected in the output of gold in the decade immediately ahead solely on the basis of geology and engineering, for obviously the grade of ore that can be profitably mined depends on costs and on the price of gold in terms of the currency of the country in which the particular deposit happens to be situated. These and other factors involved even in the technical problems of estimating ore reserves tend to lead one into fields of debate that the economists who are concerned with monetary theory regard as their sacred precincts. Of course, now and then outsiders do stray into their preserves, but they are usually ignored except when they get in the cross-fire of the card-holding professionals in opposing camps.

Under the operations of the gold standard, when currencies were generally convertible into gold and when the miner could take his gold to the mint and receive it back in coined form, the industry usually prospered in times that were subnormal in most lines of business endeavor — in times of deflation or in times of depression. Under such conditions, labor was likely to be most plentiful, jobs were prized, workmen were most efficient, and materials used in the operations were cheap. In contrast, in times of high activity, when the opposite trends prevailed, profits from gold mining were apt to suffer. They are particularly hard hit when a feverish and uncertain prosperity created by inflation prevails and when a producer must promptly deliver all his gold to his government and accept not coins but unredeemable paper currency for it.

Since the war, such unfavorable conditions for gold mining have existed in the United States and indeed throughout much of the free world. The one exception is the Union of South Africa, and there the output of gold has risen so markedly that the total production recorded for the free world has steadily increased since 1952.

Explains Record High South African Production

The conditions that brought the production of gold in South Africa to a new record high were two: (1) the winning of profits from uranium in many properties that kept a number of large marginal mines in profitable production, particularly among the older mines close to the Witwatersrand itself; and (2) the discovery of immense new reserves of gold ores in the southwestward extension of the reefs in the Transvaal, and in an entirely new gold-producing region in the Orange Free State, followed by most skillful development of mines and building of new mills, most of which came into production over the last few years. Furthermore, the ore mined in many of the new properties both in the Far Western area and in the Orange Free State was notably higher in grade than the average from the Witwatersrand proper.

The phenomenal output of more than 20,000,000 ounces of gold by the Union of South Africa, however, must not be attributed entirely to good fortune in discovery of new metallic riches. Their translation into production and profits deserves to rank as one of the major achievements in mining history, and as one of the greatest demonstrations of engineering skill in our profession.

Elsewhere, the picture is far from promising. Prospecting for gold since the war has been greatly reduced, and few if any new mines have been developed to replace those that are approaching their end.

Canadian Bonus to Mines

Canada, which is firmly in second place among the gold producers of the free world, continues the steady output of close to four and a half million ounces. The bonus to the high-cost producers helps to maintain this, but the major mines also have held their own in spite of increasing depths and depletion of reserves. Most of the older districts will undoubtedly be active long after the relatively short lives that are indicated by their measured reserves. New ore bodies will be found in them, and persistence in depth in most cases is likely to exceed the limits that any responsible engineer can place on assured ore in any particular deposit. The nature of the

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The Dollar versus Gold

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ore bodies, mostly steeply dipping veins or lodes, often with blind repetition in depth, precludes estimation of ultimate possibilities for ore with the confidence that such measurements can be made in the more regular and often definitely bounded properties on the Rand.

In Canada, however, the potential for discoveries of new gold deposits or even districts must be regarded as high, once enthusiasm for the search for gold has been restored. The pre-Cambrian terrane, with its numerous lakes, swamps, and glacial cover, yields its secrets gradually and only in response to persistent effort. The rate of discovery, however, has become distressingly slow in recent decades, and no positive assurance can be given that great new districts are still to be found. But it is a possibility that cannot be written off and one that will undoubtedly lead to new and bold expenditures on exploration when the climate for gold mining becomes more attractive.

I would rate the prospects for discovery of new gold deposits in the United States much lower than in Canada. Under present conditions, prospecting is about extinct and efforts to develop additional ore are confined almost entirely to districts where there are a few mines still working. With a higher price of gold, such efforts would obviously be intensified. The best chances for new production would be, in my judgment, from old mines or new ones within known areas of mineralization rather than from discovery of entirely new districts. Gold is not a metal that conceals itself too easily, at least where its deposits outcrop. Indeed, it can even survive the destruction of a mountain range. In the course of its long geological history, however, gold concentrations can be buried and concealed under later deposits and it is by no means impossible that under the Tertiary gravels and lavas of the Sierra Nevada in California, and under later volcanics and detritus in many other areas of the west there may still be major ore bodies. It will require financial boldness and courage as well as scientific and technical skill to find them but the possibility of their existence surely cannot be ruled out.

Until such discoveries are made, however, I would not expect that an increase in the price of gold would lead to more than a nominal increase in the country's gold output, and even that would be rather slow in coming for old mines or districts would require extensive exploration work and development before operations could be resumed. Furthermore, the immediate effect of a price rise might be an actual decrease in output measured in ounces, for existing mill capacity would probably be used for lower-grade ores. We can be confident that there would be no flood of gold under such conditions, though of course the improvement even on a modest scale that we could expect would be very welcome.

Space does not permit a review of the outlook for other gold-producing countries, but one can safely assume that maintenance of gold output is largely dependent on South Africa. A substantial larger increment can, in my judgment, be expected in the current decade from the Transvaal and Orange Free State (assuming no drastic deterioration in conditions in South Africa or war on a world-wide scale) but a continued decline in gold production elsewhere is likely if no change occurs in the price.

Russian gold output remains a well-guarded secret. The best informed opinion puts it between the South African production and the Canadian, though several of the most thoughtful leaders in South Africa are inclined to think it is nearer the Canadian. We know that important lode deposits as well as placers exist in Siberia, and we know that great effort has been made to exploit them. In all probability a significant stock of gold is already in possession of the Russian Government—and there are no claims against it that are likely to be honored. That it matches or even approaches the quantity held by the free world, however, is very doubtful indeed.

Once proper ratios are established between existing currencies and gold, I am certain that the annual increment of gold necessary for monetary stability as populations and world trade grow can be maintained for many decades to come. There is nothing known to geologists or to the technical men who exploit the gold deposits of the world to justify any fear either of a drastic shortage or a disturbing flood of new gold.

The increased production of gold from South Africa has surely brought a measure of stability to European and American currencies that they would not otherwise have had, and any policy of the United States that would insure the continuation of this critically needed increment to the stocks of monetary gold should be supported, not criticized. We should recognize that the great gold deposits of South Africa are among the major assets of the free world.

Summary and Recommendations

Events of far reaching consequence will soon determine whether gold is still the accepted international monetary base of the world or the dollar. So far, the immense economic strength of the United States relative to other nations in the postwar period has enabled the dollar to dominate the monetary systems of the world to the extent that gold itself has actually been forced to accompany the dollar in its depreciation of around 50% since 1940.

The discipline of gold, however, is still so powerful that in all probability its inherent strength will eventually prevail, either by forcing the dollar to rise in value—which would be manifest by reduced wages, lower costs, increased unemployment, and other conditions characteristic of a period of deflation—or the dollar will have to be revalued in gold at a ratio that will be the equivalent of a higher price for gold. The other alternative, viz. the complete repudiation of gold as an international monetary commodity is, in my judgment, too unlikely to deserve serious consideration—at least as long as free nations survive.

Deflation would relieve the technical difficulties of the dollar but it is not likely to be the course chosen in a free society committed to the habits of its present abundant economy.

The decision will soon be forced if the deficit in international payments against the United States continues at anything like its current magnitude. Recent efforts to lessen the strain on the dollar are commendable but are far from being drastic enough to do more than delay the crisis. With little prospect of effective relief from such measures, a revaluation of the dollar in terms of gold seems inevitable—and the sooner it is accomplished, the more beneficial its influence will be.

When this critical step is taken, it should be in accordance with a well prepared plan that can be put into effect at a time and under conditions thoughtfully perceived and determined well in advance. It should not be forced abruptly—in response to panic pressures. An essential part of such a plan, as I see it, would be a temporary embargo on movement of gold and of capital, continued until agreement had been reached among the leading nations of the free world with regard to the gold content of their respective currencies.

Particular emphasis must be placed on restoration of convertibility of the major currencies into gold without nullifying restrictions when the new gold content of the various monetary units became effective. With convertibility accepted by all, the gold values that were adopted would have to be realistic in relation to the financial strength and political stability of each specific nation, as well as to its economy and status in international trade.

With such an honest and forthright move, the people of all participating countries would again enjoy the benefits of hard money and international exchange of currencies based on the stable value of gold that would provide the confidence necessary for expanding markets and for bold commitments to new and exciting industrial adventures on which the future welfare of the world must depend.

Sandkuhl & Co. Offers Brothers Chemical Common

Sandkuhl & Co., Inc. offered on Jan. 11, 100,000 shares of Brothers Chemical Co. class "A" common stock at $3 per share. If the shares being offered are fully subscribed, they will represent approximately 31.5% of the outstanding common stock.

The company intends using the net proceeds against loans payable, to finance contracts, and for additional working capital.

Brothers Chemical makes and sells many products in two main fields, high purity chemicals, and detection devices for poison gases, liquids and solids. In the latter field, the company is a prime contractor for the Department of Defense.

New Beckman Branch

PLACERVILLE, Calif.—Beckman & Co. has opened a branch office at 311 Main Street under the direction of Charles R. Gibbs.

Beckman Opens Branch

SONORA, Calif.—Beckman & Co. has opened a branch office at 225 South Washington Street under the management of Elinor F. Brown.

To Be M. J. Merritt & Co.

The firm name of Merritt, Vickers, Inc., 125 Maiden Lane, New York City, will be changed to M. J. Merritt & Co., Inc.

With Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Robert Berman is now affiliated with Bache & Co., 445 North Roxbury Drive. He was formerly with Shearson, Hammill & Co.

Joins Walston Staff

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Horace W. Smith, Jr. is now with Walston & Co., Inc., 9731 Wilshire Blvd. He was previously Beverly Hills manager for Federman, Stonehill & Co.

Benton Co. to Admit

Benton & Co., 11 Wall Street, New York City, member of the New York Stock Exchange, on Jan. 19 will admit Elnora B Schrage and T. Clarke Benton to limited partnership.

NSTA NOTES

TWIN CITY SECURITY TRADERS ASSOCIATION

Kermit B. Sorum

The Twin City Security Traders Association has elected the following new officers:

President: Kermit Sorum, Allison-Williams Company.

Vice-President: Nick V. Schaps, J. M. Dain & Co., Inc.

Treasurer: William Price, American National Bank of St. Paul.

Secretary: George Meeks, Craig-Hallum, Inc.

DALLAS SECURITY DEALERS ASSOCIATION

The Dallas Security Dealers Association has elected the following officers for 1961:

Allen L. Oliver, Jr.

President: Allen L. Oliver, Jr., Sanders & Company.

Vice-President: Derry M. Hilger, Rauscher, Pierce & Co., Inc.

Secretary: William S. Seitz, Jr., Goodbody & Co.

Treasurer: Don A. Buchholz, Parker, Ford and Company, Inc.

Directors: Harold De Shong, Dallas Rupe & Son, Inc. (the retiring Persident); Jack Vaughn, Shearson, Hammill & Co., and Robert K. Foster, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Derry M. Hilger

GEORGIA SECURITY DEALERS ASSOCIATION

At the annual meeting of the Georgia Security Dealers Association on Dec. 16, 1960, the following were elected officers to serve during 1961:

Harrison Clarke

John B. Ellis

Frank J. Myers

President: Harrison Clarke, Johnson, Lane, Space & Co.

Vice-President: John B. Ellis, Courts & Co.

Secretary-Treasurer: Frank J. Myers, J. H. Hilsman & Co., Inc.

Executive Committee: Townshend Budd, Budd & Co.; Thomas J. Monroe, Jr., Citizens & Southern National Bank; Joseph E. Lay, Robinson-Humphrey Co.; Sam W. Preston, Jr., Wyatt, Neal & Waggoner.

PITTSBURGH SECURITIES TRADERS ASSOCIATION

The Pittsburgh Securities Traders Association has elected the following new officers:

President: Robert C. Wetmore, WcJunkin, Patton & Co.

Robert C. Wetmore

Roy M. Hamsher

John W. Hoy, Jr.

Vice-President: Roy M. Hamsher, Cunningham, Schmertz & Co., Inc.

Treasurer: John W. Hoy, Jr., Parrish & Company.

Secretary: Frederick C. Leech, Arthurs, Lestrange & Co.

Directors: Austin S. Umstead, A. E. Masten & Co.; Norman B. Ward, Jr., Norman Ward & Co.; Cyril Knoch, Simpson, Emery & Co. Inc.; Arthur F. Humphrey, Jr., Hulme, Applegate & Humphrey; Robert G. Deakins, Reed, Lear & 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:					
Indicated steel operations (per cent capacity)	Jan. 14	46.6	38.6	Not Avail.	Not Avail.
Equivalent to—					
Steel ingots and castings (net tons)	Jan. 14	1,361,000	1,103,000	Not Avail.	2,715,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Dec. 30	7,172,910	7,139,310	6,984,210	7,109,725
Crude runs to stills—daily average (bbls.)	Dec. 30	8,245,000	8,009,000	7,834,000	8,369,000
Gasoline output (bbls.)	Dec. 30	30,058,000	29,199,000	29,053,000	29,613,000
Kerosene output (bbls.)	Dec. 30	3,207,000	2,968,000	2,755,000	3,216,000
Distillate fuel oil output (bbls.)	Dec. 30	13,707,000	13,437,000	12,934,000	14,129,000
Residual fuel oil output (bbls.)	Dec. 30	6,706,000	6,377,000	6,711,000	6,939,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Dec. 30	195,703,000	191,323,000	187,242,000	188,966,000
Kerosene (bbls.) at	Dec. 30	32,048,000	32,020,000	36,902,000	26,771,000
Distillate fuel oil (bbls.) at	Dec. 30	142,246,000	*150,239,000	172,642,000	148,679,000
Residual fuel oil (bbls.) at	Dec. 30	46,092,000	*46,891,000	49,339,000	49,938,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Dec. 31	406,346	467,978	522,936	483,857
Revenue freight received from connections (no. of cars)	Dec. 31	391,083	*435,227	448,206	445,510
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Jan. 5	$407,700,000	$299,500,000	$446,100,000	$231,400,000
Private construction	Jan. 5	121,400,000	83,300,000	192,200,000	101,200,000
Public construction	Jan. 5	286,300,000	216,200,000	253,900,000	130,200,000
State and municipal	Jan. 5	220,300,000	159,000,000	181,300,000	88,900,000
Federal	Jan. 5	66,000,000	57,200,000	72,600,000	41,300,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Dec. 31	6,615,000	7,550,000	7,325,000	7,325,000
Pennsylvania anthracite (tons)	Dec. 31	365,000	422,000	372,000	338,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Dec. 31	117	*319	231	112
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Jan. 7	14,245,000	13,956,000	14,604,000	14,308,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Jan. 5	265	276	360	242
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Dec. 30	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Dec. 30	$66.32	$66.32	$66.32	$66.41
Scrap steel (per gross ton)	Dec. 30	$31.17	$29.17	$28.50	$41.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Jan. 4	29.600c	29.600c	29.600c	33.845c
Export refinery at	Jan. 4	27.425c	27.900c	28.150c	30.925c
Lead (New York) at	Jan. 4	11.000c	11.000c	12.000c	12.000c
Lead (St. Louis) at	Jan. 4	10.800c	10.800c	11.800c	11.800c
‡Zinc (delivered) at	Jan. 4	12.500c	12.500c	13.500c	13.000c
Zinc (East St. Louis) at	Jan. 4	12.000c	12.000c	13.000c	12.500c
Aluminum (primary pig, 99.5%) at	Jan. 4	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Jan. 4	100.500c	100.375c	102.000c	99.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 10	86.98	88.13	87.21	80.11
Average corporate	Jan. 10	86.65	86.65	86.51	83.40
Aaa	Jan. 10	91.19	91.05	90.91	87.32
Aa	Jan. 10	86.95	88.81	88.67	85.07
A	Jan. 10	86.11	86.11	85.98	83.28
Baa	Jan. 10	81.05	81.29	80.81	78.32
Railroad Group	Jan. 10	83.91	84.17	83.91	81.17
Public Utilities Group	Jan. 10	87.86	87.86	87.59	83.40
Industrials Group	Jan. 10	88.40	88.13	87.99	85.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 10	3.89	3.76	3.86	4.58
Average corporate	Jan. 10	4.66	4.66	4.67	4.91
Aaa	Jan. 10	4.33	4.34	4.35	4.61
Aa	Jan. 10	4.49	4.50	4.51	4.78
A	Jan. 10	4.70	4.70	4.71	4.92
Baa	Jan. 10	5.10	5.08	5.12	5.33
Railroad Group	Jan. 10	4.87	4.85	4.87	5.09
Public Utilities Group	Jan. 10	4.57	4.57	4.59	4.91
Industrials Group	Jan. 10	4.53	4.55	4.56	4.74
MOODY'S COMMODITY INDEX	Jan. 10	361.1	356.9	356.0	377.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Dec. 31	231,673	254,950	307,561	221,382
Production (tons)	Dec. 31	163,709	285,977	280,359	138,521
Percentage of activity	Dec. 31	39	86	79	44
Unfilled orders (tons) at end of period	Dec. 31	371,656	305,113	409,354	424,821
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Jan. 6	109.70	108.50	108.90	111.61
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Dec. 16	2,870,150	2,736,990	2,207,890	2,529,380
Short Sales	Dec. 16	492,810	482,150	450,870	335,460
Other sales	Dec. 16	2,310,180	2,089,270	1,696,720	2,051,060
Total sales	Dec. 16	2,802,990	2,571,420	2,147,590	2,386,520
Other transactions initiated off the floor—					
Total purchases	Dec. 16	453,340	490,710	342,990	380,040
Short Sales	Dec. 16	38,800	69,200	33,100	32,320
Other sales	Dec. 16	358,280	432,680	251,160	304,230
Total sales	Dec. 16	397,080	501,880	284,260	336,600
Other transactions initiated on the floor—					
Total purchases	Dec. 16	883,413	939,773	678,865	826,895
Short Sales	Dec. 16	138,800	145,000	142,520	107,330
Other sales	Dec. 16	737,835	717,445	521,208	788,220
Total sales	Dec. 16	876,635	862,445	663,728	895,550
Total round-lot transactions for account of members—					
Total purchases	Dec. 16	4,206,903	4,167,473	3,229,745	3,736,315
Short Sales	Dec. 16	670,410	696,350	626,490	475,110
Other sales	Dec. 16	3,406,295	3,239,395	2,469,088	3,143,560
Total sales	Dec. 16	4,076,705	3,935,745	3,095,578	3,618,670
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. 16	1,567,882	1,675,532	1,427,017	1,802,745
Dollar value	Dec. 16	$77,906,877	$77,368,043	$68,206,820	$92,607,588
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Dec. 16	1,827,512	1,897,746	1,401,147	1,706,960
Customers' short sales	Dec. 16	11,468	17,164	17,551	6,880
Customers' other sales	Dec. 16	1,316,044	1,880,582	1,383,596	1,700,080
Dollar value	Dec. 16	$84,360,682	$82,188,681	$66,418,736	$82,164,421
Round-lot sales by dealers—					
Number of shares—Total sales	Dec. 16	649,540	670,640	436,900	464,070
Short Sales	Dec. 16				
Other sales	Dec. 16	649,540	670,640	436,900	464,070
Round-lot purchases by dealers—Number of shares	Dec. 16	392,110	479,770	458,800	550,630
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. 16	837,010	924,200	857,750	583,160
Other sales	Dec. 16	17,720,580	18,050,330	13,494,030	16,097,920
Total sales	Dec. 16	18,557,590	18,974,530	14,351,780	16,681,080
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Jan. 3	119.6	119.6	119.5	118.9
Farm products	Jan. 3	88.9	89.7	89.1	85.1
Processed foods	Jan. 3	110.0	109.5	109.1	105.2
Meats	Jan. 3	98.5	97.6	97.5	89.1
All commodities other than farm and foods	Jan. 3	127.9	127.9	127.9	126.6

*Revised figure. † Number of orders not reported since introduction of Monthly Investment Plan. ‡ Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of November:			
New England	$22,362,141	$34,690,675	$34,844,131
Middle Atlantic	171,082,029	139,902,899	177,682,748
South Atlantic	56,247,556	42,475,204	40,392,448
East Central	90,208,254	110,697,692	71,801,346
South Central	97,280,869	92,307,520	76,346,709
West Central	32,749,853	43,715,106	33,095,118
Mountain	21,350,150	26,353,298	21,769,285
Pacific	98,687,111	117,187,705	103,089,782
Total United States	$589,967,963	$607,330,099	$559,021,567
New York City	132,424,463	99,449,753	148,069,735
Total outside New York City	$457,543,500	$507,880,346	$410,951,832
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of November: (000's omitted)	$387,600	$921,500	$390,600
CONSUMER PRICE INDEX — 1947-49 = 100— Month of October:			
All items	127.3	126.8	125.5
Food	120.9	120.2	118.4
Food at home	118.2	117.4	115.8
Cereal and bakery products	138.5	137.8	134.1
Meats, poultry and fish	110.0	110.2	109.0
Dairy products	118.4	117.5	116.1
Fruits and vegetables	124.8	124.6	124.5
Other food at home	112.0	109.3	107.0
Food away from home (Jan. 1953=100)	119.4	119.3	116.9
Housing	132.2	132.0	130.1
Rent	142.5	142.1	140.4
Gas and electricity	125.7	125.7	121.7
Solid fuels and fuel oil	136.1	134.8	135.5
Housefurnishings	104.0	104.1	104.1
Household operation	138.1	138.0	135.3
Apparel	111.0	110.6	109.4
Men's and boys'	112.2	112.2	108.9
Women's and girls'	101.8	101.1	101.3
Footwear	140.5	140.2	138.5
Other apparel	93.9	93.8	92.9
Transportation	146.1	144.7	148.5
Private	134.1	132.8	137.4
Public	202.6	201.7	195.9
Medical care	157.3	156.9	152.5
Personal care	134.0	133.9	132.5
Reading and recreation	121.9	122.1	119.7
Other goods and services	132.7	132.3	131.6
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of November:			
All manufacturing (production workers)	12,071,000	*12,225,000	12,274,000
Durable goods	6,822,000	*6,868,000	6,922,000
Nondurable goods	5,249,000	*5,357,000	5,352,000
Employment indexes (1947-49 Avge.=100)—			
All manufacturing	97.6	*98.8	99.2
Payroll indexes (1947-49 Average = 100)—			
All manufacturing	167.3	*170.0	166.8
Estimated number of employees in manufacturing industries—			
All manufacturing	16,165,000	*16,310,000	16,280,000
Durable goods	9,268,000	*9,308,000	9,313,000
Nondurable goods	6,897,000	*7,002,000	6,967,000
MANUFACTURERS' INVENTORIES & SALES Month of November (millions of dollars):			
Inventories—			
Durables	$31,100	$31,400	$29,400
Nondurables	23,100	22,900	22,400
Total	$54,200	$54,300	$51,800
Sales	29,600	31,100	28,500
METAL PRICES (E. & M. J. QUOTATIONS)— December:			
Copper—			
Domestic refinery (per pound)	29.600c	29.600c	33.724c
Export refinery (per pound)	28.036c	27.470c	30.801c
††London, prompt (per long ton)	£230.981	£225.631	£255.443
††Three months, London (per long ton)	£228.169	£226.347	£239.756
Lead—			
Common, New York (per pound)	11.381c	12.000c	12.523c
Common, East St. Louis (per pound)	11.181c	11.800c	12.323c
††London, prompt (per long ton)	£64.975	£68.176	£72.696
††Three months London (per long ton)	£66.194	£68.875	£72.452
Zinc—			
East St. Louis (per pound)	12.476c	13.000c	12.500c
§§Prime Western, delivered (per pound)	12.976c	13.500c	13.000c
††London, prompt (per long ton)	£82.763	£87.636	£95.190
††London, three months (per long ton)	£82.747	£86.864	£90.162
Silver and Sterling Exchange—			
Silver, New York (per ounce)	91.375c	91.375c	91.375c
Silver, London (per ounce)	79.463d	79.500d	80.250d
Sterling Exchange (check)	$2.80737	$2.81352	$2.79845
Tin, New York Straits	101.161c	102.875c	99.153c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$209.000	$209.000	$214.091
Antimony—			
¶New York, boxed (per pound)	32.590c	32.590c	32.590c
Laredo, bulk (per pound)	29.000c	29.000c	29.000c
Laredo, boxed (per pound)	29.500c	29.500c	29.500c
Aluminum—			
99% grade ingot weighted avge. (per lb.)	26.000c	26.000c	27.255c
99% grade primary pig	23.250c	23.250c	25.155c
**Nickel	74.000c	74.000c	74.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
Platinum, refined (per pound)	$82.000	$82.000	$77.000
Cadmium (per pound, delivered ton lots)	$1.50000	$1.50000	$1.30000
(Per pound, small lots)	$1.60000	$1.60000	$1.40000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.75000

*Revised figure. †Estimated totals based on reports from companies accounting for 96% of primary, 95% of secondary tin consumption in 1957 and 97% of total stocks end of 1957. ¶Domestic five tons or more but less than carload lot boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **F.o.b. Fort Colburne, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

	Latest Month	Previous Month	Year Ago
MONEY IN CIRCULATION—TREASURY DEPT. As of Oct. 31 (000's omitted)	$32,100,000	$32,000,000	$31,900,000
NEW YORK STOCK EXCHANGE— As of Nov. 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$3,240,000	$3,243,000	$3,438,000
Credit extended to customers	99,000	111,000	165,000
Cash on hand and in banks in U. S.	381,000	377,000	372,000
Total of customers' free credit balances	1,082,000	1,063,000	974,000
Market value of listed bonds	106,289,021	109,858,783	299,112,339
Market value of listed shares	292,991,130	281,529,166	106,499,132
Member borrowings on U. S. Govt. issues	669,000	695,000	528,000
Member borrowings on other collateral	2,321,000	2,312,000	2,397,000
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of Oct. (000's omitted):			
Exports	$1,743,900	$1,610,100	$1,481,600
Imports	1,157,200	1,160,300	1,202,000

THE SECURITY I LIKE BEST...

Continued from page 2

company conducts a research program of its own and participates with other glass companies in supporting the Glass Container Industry Research Corporation. The company has developed and introduced such recent innovations as "glamour coat," a unique system to color glass at about half the cost of competitive colored glass, and the safety bottle with a self-locking cap.

Brockway has a modern, well staffed office at its Brockway, Pa. address. They are currently employing an IBM system, and also preparing their staff for the arrival of the latest and most modern additional IBM equipment. Located at the company's main office is a direct wire system, through which is directed the flow of much of the company's information.

Brockway produces a line of bottles and jars which appears in stores across the U. S. A., containing products which may be considered a Who's Who in consumer goods, such as: Pepsi-Cola, Heinz Baby Foods, Kraft Miracle Whip, Booth's Gin, Nescafe, Heinz 57 Sauce, Three Feathers Whisky, Vitalis, Breck Shampoo, Mennen Face Conditioner, Skippy Peanut Butter and Pepto Bismol, plus many, many others. No one customer of Brockway's accounts for 10% of its sales.

The astuteness of Brockway's management was demonstrated during the past year when unit shipments of glass containers showed a decrease throughout the country of 1.3%, while Brockway exhibited a modest advance of 0.5%.

In the coming fiscal year the start-up expenses of Brockway's new Twin-Cities plant and the new Blown Plastic Bottle plant should be offset by the acquisition of Celluplastics Inc. and the full integration of the substantial Tygart Valley Glass Company into the Brockway system.

Because of the impact of the present non-recurring expenses and present price conditions, it is anticipated that Brockway's earnings for the first quarter of 1961 will be approximately 50% lower than for the same quarter last year. It is anticipated, however, that before the current fiscal year ends the company will be able to show a considerably better performance record, somewhat equaling that of 1960.

Barring any further deterioration in glass container prices, Brockway Glass Company can be expected to resume its strong growth pattern in the near future. Selling some 30% below its offering price, to yield 3%, plus stock, the wirter feels the common stock of the Brockway Glass Company selling at about $25 per share on the Over-the-Counter Market, is an attractive situation for interim to long-term capital gains.

Form Midland Securities

DENVER, Colo.—Midland Securities Corp. has been formed with offices at 1340 South Santa Fe Drive to engage in a securities business. Officers are John M. Trippe, President; Edward E. Holschuh, Vice-President; and A. J. Grimm, Secretary and Treasurer. Mr. Trippe was formerly with Lowell, Murphy & Co., Inc.

Simpson & Co. Opens

PATERSON, N. J.—Simpson and Company Inc. has been formed with offices at 5 Colt Street to engage in a securities business. Officers are Robert B. Simpson, President, Harry Morere, Vice-President; and Mary Kober, Secretary-Treasurer.

DANIEL C. MALTZ

Manager, Research Department, Bruns, Nordeman & Co. New York City

Members: New York Stock Exchange and American Stock Exchange

Horn & Hardart Company (N. Y.)

New frontiers are on the horizon for this old line organization which promise a huge new era of growth. Importantly, there is the aggressive new leadership of W. J. Curtis, who assumed the helm as President early in 1960. Continuing a program of internal improvement initiated in 1954, he has embarked on a vigorous campaign aimed at enlarging the company's scope of operations and expanding its sales and earnings base. Visitors to Automat cafeterias have already seen some of the advances which have been accomplished. Among these fairly recent innovations are waitress-service accommodations, cocktail facilities in appropriate areas, outgoing food services with limited menu items and retail packaged food installations, where applicable. Other equally significant improvements include expansion into industrial in-plant feeding, a rapidly growing coffee-break service to an expanding number of office buildings, catering services to stockholders' annual meetings, parties and business gatherings; and fruit cake service for corporate gift giving. These new projects are only extensions of the company's basic operations but may be considered as a giant-sized step in the right direction. Other important growth efforts, recently initiated, are already accelerating at a faster pace than management had anticipated.

Daniel C. Maltz

During 1960, the company opened explosive new vistas in its retailing operations. An agreement was concluded with Trunz Supermarkets to retail Horn & Hardart products in their stores. To date, some 11 Trunz stores have modified their counters to display the company's retail product line. Other Trunz outlets will follow suit during 1961. Of even greater importance, HOR completed arrangements with Shop-Rite Supermarkets, an aggressive co-operative association with a total of 100 stores throughout New Jersey, for a similar program in their high volume stores. Fifteen Shop-Rite outlets are currently carrying the Horn & Hardart line and an additional 15 stores are programmed for 1961. A large discount store operator in Long Island has recently been added to this group. Further, the company is now in advanced discussion with other, even larger-scale food chain stores to add the Horn & Hardart line to their operations. This carefully conceived expansion program could result in a substantial increase in the number of retail outlets where Horn & Hardart products may be purchased during 1961 and beyond.

Another important fillip to earnings in the future was the recent introduction of a premium-priced vacuum-packed coffee to supplement its freshly ground and instant coffee. This product alone holds well above average growth potentials. The company is also perfecting a full line of Horn & Hardart Quality Frozen foods which will become available for institutional and industrial feeding, as well as supermarket sales. Expansion into the Miami Beach, Fort Lauderdale and West Palm Beach areas is presently being planned. Look for major announcements which could result in complete Eastern seaboard coverage in the near or intermediate future, and expect to see some interesting marketing programs undertaken over the next few months.

One of the original companies to utilize vending machines, Horn & Hardart has grown from a single Automat operation in midtown Manhattan to a total of 102 Automat-cafeterias, waitress-service restaurants and self-service retail shops located throughout the Greater New York and New Jersey metropolitan areas. At present, there are 37 such coin-operated facilities in Manhattan and one in Brooklyn, and 11 waitress-service-units: five in New York and one each in Fresh Meadows, Flushing, Roosevelt Field Shopping Center, Yonkers and Paramus. The eleventh waitness-service unit opened its doors in White Plains on Dec. 14, 1960. A total of 52 retail shops are strategically located in shopping areas: 42 in Greater New York, another two in Paramus and one each in Jersey City, Yonkers, Mount Vernon, Great Plains, Great Neck, Valley Stream, Garden City and Hicksville. Day-old products are quickly sold at reduced prices in Manhattan and Jersey City. Bakery, commissary and executive offices are located in New York.

Since 1954, an aggregate of $20 million has been spent on the modernization, improvement and expansion of facilities, and another $1 million has been budgeted for capital expenditures in 1961. One new project will be the expansion of facilities at the Airlines Terminal Building opposite Grand Central Station in Manhattan. Reaching a daily population of more than 25,000 transients, this restaurant will feature an oyster and liquor bar, among other services, and should do much to further popularize the Horn & Hardart name. Moreover, this expansion holds strong possibilities of introducing the company's product line to airlines organizations and could lead to ground-crew and in-flight feeding contracts in the future.

Internal finances are on the mend. The company has been operating with a deficit net working capital for the past two years, but 1960 results will moderately change this position for the better. Deficit net working capital will be reduced to a less burdensome $200,000 at year-end 1960, as compared with a deficit of $630,000 in 1959 and more than a $1 million deficit in the preceding year. It must be realized that capital expenditures have been relatively high since 1954 and 85% of the program was accomplished without recourse to outside financing. The company also granted substantial wage boosts to employees in 1959. Because this is a "cash & carry" business with an inventory turnover rate of eight times monthly, supplemented by generally large depreciation write-offs, the company has been able to carry out its expansion program without any financial embarrassment.

Nineteen-sixty revenues should approximate $51 million, off about 2% from last year, while per share earnings may decline to the $2.25-2.40 range from $2.75 in 1959. This must be related to a combination of growth pangs, and rail strikes which kept many shoppers away from the city. The healthy outlook for 1961 lends good support to the maintenance of the present $2 annual dividend, although a future reduction cannot be entirely ruled out. Sound practice may dictate that a higher percentage of internally generated funds be utilized in expansion plans for this newly oriented growth company. Yet, the possibility always exists that management may decide on equity or debt financing in the future rather than lower the present payout.

Nineteen-sixty-one should enlarge the foundation for really significant longer-term gains, although initial efforts may be clouded by start-up costs and related advertising programs. Nevertheless, tentative estimates place sales in the neighborhood of $55 million, up around 10%. Per share earnings, however, could rise far more substantially—to around $3 per share or better. This would provide a price-earnings ratio of around 15 times expected 1961 results. Related to the company's new growth outlook, the ratio is low compared with other companies in this industry (i. e. Frank G. Shattuck Co. and Chock Full O' Nuts Corp.).

New management appears to recognize the importance of a good corporate image and the company will begin to report earnings on a quarterly basis in 1961 and initiate a new stockholder and financial relations program.

Capitalization consists of a modest $5 million long-term debt, 27,521 shares of $5 preferred and only 564,524 common shares outstanding. With about 50% of the common closely held, the floating supply is thin, which could provide a measure of volatility to the issue. The stock is listed on the American Stock Exchange.

Brunswick Corp. Offers Rights

Brunswick Corp. is offering to holders of its common stock the right to subscribe for $25,634,400 principal amount of 4½% convertible subordinated debentures due Jan. 1, 1981 in the ratio of $100 principal amount of debentures for each 65 shares of common stock held of record on Jan. 11, 1961. The subscription price is 100%. The right to subscribe will expire on Jan. 25, 1961.

The offering is being underwritten by a group headed by Lehman Brothers and Goldman, Sachs & Co.

Net proceeds from issuance of the debentures will be used primarily for the carrying of increased accounts receivable and inventories, and also for investments in foreign operations.

The debentures are convertible into common stock at $51 a share.

Sinking fund provisions require the company to retire $1,500,000 principal amount of debentures annually beginning Jan. 1, 1971, through Jan. 1, 1980, and also authorize the optional retirement of not more than $1,500,000 debentures per annum in the period Jan. 1, 1966-Jan. 1, 1980.

For the sinking fund the debentures will be redeemable at the principal amount plus accrued interest. The debentures also may be redeemed at the election of the company at any time on 30 days' notice at prices ranging from 104½% to 100%, plus accrued interest.

The company, which extends back to a business founded in 845, is one of the two leading manufacturers and distributors of bowling products. It is estimated that Brunswick sells more than one-half of all new bowling lanes installed and bowling supplies sold in the United States. During the nine months ended Sept. 30, 1960 sales of automatic pinsetters accounted for 38% of the company's consolidated sales, and sales of bowling and billiard products for 29%. The company also produces medical supplies and equipment; athletic goods and equipment; marine products through Owens Yacht and its Brunswick Boat Divisions; school furniture and gymnasium equipment, and defense products.

Net sales during the nine months ended Sept. 30, 1960 amounted to $278,018,000 and net income to $27,918,000, compared with $217,901,000 and $19,087,000, respectively, in the corresponding months of 1959.

Preliminary operating results indicate that consolidated net sales and net income will be approximately $80,000,000 and $10,000,000, respectively, for the last quarter of 1960, which compares with consolidated net sales and net income of $76,898,000 and $8,823,000, respectively, for the last quarter of 1959.

Kalb, Voorhis Appoints Simon

Kalb, Voorhis & Co., 27 William Street, New York City, members of New York Stock Exchange, have announced appointment of Francis M. Simon as Director, Financial Planning Services. As part of his assignment, Mr. Simon will edit the firm's Financial Planning Bulletins and Financial Planning Workbook.

He has been with the firm since July as Associate Editor of the publications and legal and tax advisor of the Financial Planning Department. He has had an extensive editorial and legal background, having edited major tax publications in the field of Federal income, estate and gift taxes.

W. S. Simpson Opens

(Special to THE FINANCIAL CHRONICLE)

ORINDA, Calif — William S. Simpson is conducting a securities business from offices at 124 Camino Pablo.

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.

★ Acme Missiles & Construction Corp.
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

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).

★ Alaska Creamery Products, Inc.
Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2.25 per share. **Proceeds** —To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—Paul Nichols Co., Inc., Anchorage, Alaska.

★ Alkon Industries, Inc. (2/1)
Dec. 29, 1960 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—General construction. **Proceeds**—For working capital and general corporate purposes. **Office**—400 Morris Avenue, Long Branch, N. J. **Underwriter**—Meade & Co., New York, N. Y.

● 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**—Indefinitely 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 nonvoting 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., Inc.
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—60 E. 42nd Street, New York 17, N. Y. **Underwriter**—None.

● 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 has withdrawn as underwriter.

● Americana Properties, Inc. (2/20)
Oct. 27, 1960 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The operation of shopping areas and bowling establishments in Long Island, N. Y. **Proceeds**—For debt reduction and construction of stores and a bowling facility. **Office** — 855 Montauk Highway, Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., New York City.

Ampal-American Israel Corp.
Oct. 25, 1960 filed $5,000,000 of 7-year series I 6% sinking fund debentures. **Price**—At par. **Proceeds**—For various business enterprises in Israel. **Office**—17 East 71st Street, New York City. **Underwriter**—None.

★ Arizona Color Film Processing Laboratories, Inc.
Dec. 19, 1960 (letter of notification) 1,051,750 shares of common stock (par 20 cents) to be offered for subscription by stockholders of the common stock with the right to purchase one share of common for each two shares now held. Rights expire in 30 days. **Price**—22 cents per share. **Proceeds**—To repay a short-term loan, purchase equipment and for working capital. **Office**—2 N. 30th Street, Phoenix, Ariz. **Underwriter**—None.

★ Arizona Rent-Rite, Inc.
Dec. 21, 1960 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds** —To rent equipment, storage and for working capital. **Office**—909 W. McDowell Road, Phoenix, Ariz. **Underwriter**—None.

★ Armed Forces Land Corp.
Dec. 30 (letter of notification) 1,000 shares of common stock (no par). **Price** — $25 per share. **Proceeds** — For working capital. **Office**—1204 Whitcher Avenue, Sioux City, Iowa. **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**—3703 Yoakum Boulevard, 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 in U. S. Government Securities, Inc. (2/23-27)
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. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

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NEW ISSUE CALENDAR

January 13 (Friday)
Bowl-Mor Co., Inc. — Common
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) 78,955 shares
Brooks (James) & Co. Inc. — Units
(Lloyd Haas & Co.) $450,000)
Cove Vitamin & Pharmaceutical Inc. — Units
(Hill, Thompson & Co., Inc., and Globus, Inc.) $337,500
School Pictures, Inc. — Common
(Equitable Securities Corp. and Kroeze, McLarty & Co.) 100,000 shares

January 16 (Monday)
Coburn Credit Co., Inc. — Common
(Brand, Grumet & Seigel, Inc.) $200,000
Consolidated Circuit Corp. — Common
(Russell & Saxe, Inc.) $125,000
Cowles Chemical Co. — Debentures
(Shearson, Hammill & Co. and Gunn, Carey & Roulston, Inc.) $2,500,000
Datamation, Inc. — Common
(Berner Bros. and Earl Edden Co.) $160,000
Drexel Equity Fund, Inc. — Common
(Drexel & Co.) $5,100,000
Edwards Industries, Inc. — Common
(Joseph Nadler & Co., Inc.) $450,000
Geochron Laboratories, Inc. — Common
(Globus, Inc. and Ross, Lyon & Co.) 150,000 shares
Great American Industries, Inc. — Common
(J. G. White & Co., Inc.) $1,500,000
Mortgage Guaranty Insurance Corp. — Common
(Bache & Co.) 155,000 shares
Pneumodynamics Corp. — Common
(Hemphill, Noyes & Co. and Estabrook & Co.) 175,000 shares
Polysonics, Inc. — Common
(M. H. Meyerson & Co., Ltd.; Karen Securities Corp. and Selected Investors) $210,000
Reeves Soundcraft Corp. — Common
(Emanuel, Deetjen & Co.) 150,000 shares
Reser's Fine Foods, Inc. — Common
(William, David & Motti, Inc.) $270,000
Starfire Boat Corp. — Common
(F. R. Burns & Co.) $297,500
Telephone & Electronics Corp. — Common
(Equity Securities Co.) $264,900
Town Photolab, Inc. — Common
(Michael G. Kletz & Co.) $300,000
Varifab, Inc. — Common
(Droulia & Co.) $300,000
Westminster Fund, Inc. — Capital
(Kidder, Peabody & Co.) 4,000,000 shares

January 17 (Tuesday)
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
Gulf States Utilities Co. — Common
(Bids 11:00 a. m. EST) $11,500,000
Heinicke Instruments Co. — Common
(Pierce, Carrison, Wulbern, Inc.) 67,000 shares
Kansas Gas & Electric Co. — Bonds
(Bids 11:00 a.m. EST) $7,000,000
Restaurant Associates, Inc. — Common
(Shearson, Hammill & Co.) 265,000 shares
Security National Bank of Long Island — Common
(Offering to stockholders—underwritten by Bache & Co.) 97,371 shares
United Automotive Industries, Inc. — Common
(Pacific Coast Securities Co.) $300,000
Vector Industries, Inc. — Common
(Plymouth Securities Corp.) $300,000

January 18 (Wednesday)
New York Central RR. — Equip. Trust Ctfs.
Bids Noon (EST) $4,125,000
Resisto Chemical, Inc. — Common
(Amos Treat & Co., Inc.) $500,000
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 20 (Friday)
Coral Aggregates Corp. — Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000
Minneapolis Gas Co. — Common
(Offering to stockholders—underwritten by Kalman & Co., Inc.) 228,346 shares
Trans-Air System, Inc. — Common
(Flomenhaft, Seidler & Co., Inc.) $225,000

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
Bradford Pools, Inc. — Units
(R. A. Holman & Co., Inc.) $320,000
Capitol Associated Products, Inc. — Common
(Thompson & Co.) $300,000
Dixie Natural Gas Corp. — Common
(Vestal Securities Corp.) $300,000
Emerson Electric Manufacturing Co. — Common
(Carl M. Loeb, Rhoades & Co. and Scherck, Richter & Co.) 54,033 shares
Falls Plaza Limited Partnership — Units
(Kidder, Peabody & Co.) $480,000
Freoplex, Inc. — Common
(Alessandrini & Co., Inc.) $300,000
General Foam Corp. — Debentures
(Brand, Grumet & Seigel, Inc.) $500,000
Golden Crest Records, Inc. — Common
(Dean Samitas & Co., Inc. and Valley Forge Securities Co., Inc.) $255,000
Gulf Guaranty Land & Title Co. — Units
(Street & Co.) $1,500,000

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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

Mohawk Insurance Co. _____________________Common
(R. F. Dowd & Co., Inc.) $900,000

Palomar Mortgage Corp. ______________Debentures
(J. A. Hogle & Co.) $1,100,000

Rajac Self-Service, Inc. __________________Common
(James Co.) $463,125

Reynolds & Reynolds Co. __________________Common
(H. M. Byllesby & Co. and Grant-Brownell & Co.) 130,000 shares

Scrivner-Stevens Co. ______________________Common
(Francis I. du Pont & Co.) 70,000 shares

Speedee Mart, Inc. _______________________Common
(J. A. Hogle & Co.) 90,000 shares

TelAutograph Corp. _______________________Common
(Offering to stockholders—underwritten by Baird & Co.; Richard J. Buck & Co. and Chace, Whiteside & Winslow, Inc.)

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)

Crumpton Builders, Inc. ____________________Units
(Courts & Co.) 150,000 units

Lifetime Pools Equipment Corp. ____________Common
(Pacific Coast Securities Co. and Grant, Fontaine & Co.) $568,750

Otter Tail Power Co. _______________________Bonds
(Bids 11 a. m. EST) $7,000,000

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)

Does-More Products Corp. _________________Common
(H. L. Wright & Co., Inc.) $300,000

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)

Bowling & Construction Corp. ______________Common
(Arnold Malkan & Co., Inc.) $600,000

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)

Alkon Industries, Inc. _____________________Common
(Meade & Co.) $250,000

Canaveral International Corp. ____________Common
(S. Schramm & Co., Inc.) 300,000 shares

Circle Controls Corp. ______________________Common
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000

Elion Instruments, Inc. _____________________Units
(Warner, Jennings, Mandel & Longstreth) 60,000 units

International Diode Corp. _______________Preferred
(T. M. Kirsch Co.) $33,600

Kentucky & Indiana Terminal RR. __________Bonds
(Bids 12 noon EST) $6,800,000

Midland Capital Corp. ____________________Common
(Eastman Dillon, Union Securities & Co. and Granbery, Marache & Co.) $15,250,000

Midland-Guardian Co. _____________________Common
(Kidder, Peabody & Co.) 100,000 shares

Montgomery Ward Credit Corp. _______Debentures
(Lehman Brothers) $50,000,000

Westmore, Inc. ___________________________Common
(Vincent, James & Co., Inc.) $300,000

February 2 (Thursday)

Richards Aircraft Supply Co. ______________Common
(Blaha & Co., Inc.) $200,000

February 6 (Monday)

Automobile Banking Corp. ___________________Units
(Reynolds & Co., Inc. and Cruttenden, Podesta & Co.) $2,000,000

Berkey Photo Service, Inc. ________________Common
(Paine, Webber, Jackson & Curtis) 360,000 shares

Bowl-Mor Co., Inc. ____________________Debentures
(Paine, Webber, Jackson & Curtis and Granbery, Marache & Co.) $2,000,000

Compression Industries Corp. ______________Common
(I. R. E. Investors Corp.) $250,000

Digitronics Corp. _________________________Capital
(Granbery, Marache & Co.) 50,000 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) $3,000,000

Monarch Electronics International, Inc. ___Common
(Pacific Coast Securities Co.) 200,000 shares

Stancil-Hoffman Corp. ______________________Capital
(Pacific Coast Securities Co.) $300,000

February 8 (Wednesday)

Texas Gas Transmission Corp. ____________Common
(Dillon, Read & Co., Inc.) 300,000 shares

February 14 (Tuesday)

Maryland Cup Corp. _______________________Common
(Lehman Brothers) 235,100 shares

Southern Co. ______________________________Common
(Bids 3:45 p. m. EST) 900,000 shares

Storer Broadcasting Co. ____________________Common
(Reynolds & Co., Inc.) 263,000 shares

Vacuum-Electronics Corp. _________________Common
(Lehman Brothers) 100,000 shares

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

Hydro-Electronics Corp. ___________________Common
(Lloyd Securities) $300,000

Invesco Collateral Corp. _____________________Units
(No underwriting) $777,300

Jefferson Lake Asbestos Corp. _______________Units
(A. G. Edwards & Sons) $3,500,000

Jonker Business Machines, Inc. ______________Units
(Hodgon & Co., Inc.) 50,000 units

Puget Sound Power & Light Co. ____________Common
(Blyth & Co., Inc.) $10,000,000

Puget Sound Power & Light Co. _____________Bonds
(Blyth & Co., Inc.) $15,000,000

Radar Measurements Corp. ________________Common
(Blaha & Co., Inc.) $299,950

West Texas Utilities Co. _____________________Bonds
(Bids to be received) $8,000,000

February 20 (Monday)

Americana Properties, Inc. _________________Common
(Plymouth Securities Corp.) $600,000

February 23 (Thursday)

American Telephone & Telegraph Co. ___Common
(No underwriting) 11,170,000 shares

Atlantic Fund for Investment in U. S. Government Securities, Inc. _________Common
(Capital Counsellors) $10,000,000

General Bowling Corp. ____________________Common
(H. S. Simmons & Co., Inc. and McMahon, Lichtenfeld & Co.) $1,000,000

February 24 (Friday)

American Molded Fiberglass Co. ___________Common
(Vestal Securities Corp.) $148,172

February 27 (Monday)

Dodge Wire Corp. _________________________Common
(Plymouth Securities Corp.) $600,000

February 28 (Tuesday)

Fund of America, Inc. _____________________Common
(Ladenburg, Thalmann & Co. and Minis & Co., Inc.) $5,000,000

March 1 (Wednesday)

Ilikon Corp. ______________________________Common
(Myron A. Lomasney & Co.) $375,000

Milo Electronics Corp. _____________________Common
(Myron A. Lomasney & Co.) $750,000

Ram Electronics, Inc. ______________________Common
(Plymouth Securities Corp.) $300,000

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

April 20 (Thursday)

Orange & Rockland Utilities, Inc. ____________Bonds
(Bids to be received) $12,000,000

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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● Automobile Banking Corp. (2/6-10)
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).

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 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. **Note**—This statement has been withdrawn.

● 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. **Offering**—Expected in late January.

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.

★ Bell & Howell Co.
Dec. 28, 1960 (letter of notification) not to exceed 5,500 shares of common stock (no par) to be offered for subscription by stockholders of the company. **Price**—At-the-market on the New York Stock Exchange. **Proceeds** — For general corporate purposes. **Office** — 7100 McCormick Road, Chicago 45, Ill. **Underwriter**—None.

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. (1/30-2/3)
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. (2/6-10)
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. (1/13)
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 Gran-

bery, Marache & Co., both of New York City (managing).

★ **BPL & Chemical Co.**
Dec. 19, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For operation of a bowling alley. **Office**—502 S. Avenue 17, Los Angeles, Calif. **Underwriter**—None.

● **Bradford Pools, Inc. (1/23-27)**
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. (1/13)**
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.

● **Brunswick Corp.**
Dec. 5, 1960 filed $25,634,400 of 4½% convertible subordinated debentures, due Jan. 1, 1981, being offered to holders of the outstanding common stock of record Jan. 11, on the basis of $100 of debentures fo reach 65 shares then held with rights to expire on Jan. 25. **Price**—100% of principal amount. **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.

★ **California Corp. for Biochemical Research**
Dec. 27, 1960 (letter of notification) 20,000 shares of common stock (par $1). **Price** — At-the-market. **Proceeds**—To go to selling stockholders. **Office**—3625 Medford Street, Los Angeles, Calif. **Underwriter**—None.

★ **Canadian Superior Oil of California, Ltd.**
Jan 5, 1961 filed 1,200,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 3.75 shares held. **Price**—$9 (U. S.) and $8.75 (Can.) per share. **Proceeds**—To repay debts. **Office** — 703 Sixth Avenue, South West, Calgary, Alberta. **Underwriter**—None.

● **Canaveral International Corp. (2/1)**
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, is no longer managing underwriter. New underwriter is to be named.

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.

★ **Capitol Associated Products, Inc. (1/23)**
Dec. 22, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion, machinery and for working capital. **Office**—539 E. Main Street, Waterbury, Conn. **Underwriter**—Thompson & Co., New York, N. Y.

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.

★ **Carolyn Co., Inc.**
Dec. 20, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To pay off a loan and for working capital. **Office**—4915 Webber Street, Sarasota, Fla. **Underwriter** — None.

● **Circle Controls Corp. (2/1)**
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

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.

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 Plastics, 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. (1/17)**
Nov. 18, 1960 filed $1,000,000 of 6½% subordinated sinking fund debentures, due 1975, 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.

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. (2/6-10)**
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.

★ **Conrad-Carson Electronics, Inc.**
Dec. 22, 1960 (letter of notification) 200,000 shares of common stock. **Price** — At par ($1 per share). **Proceeds**—To purchase equipment and materials and for research and development. **Office** — 3110 Goddard Way, San Diego, Calif. **Underwriter**—None.

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 Natural Gas Co. (2/7)**
Jan. 6, 1961 filed $45,000,000 of debentures, due Feb. 1, 1986. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—To repay a short-term bank loan and for construction. **Office**—30 Rockefeller Plaza, New York, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co. and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected 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.

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. (1/20)**
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. (1/13)**
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. (1/24-27)**
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.

★ **Cumberland Shoe Corp.**
Jan. 3, 1961 (letter of notification) 37,115 shares of common stock (par 50 cents) to be offered for subscription by stockholders of the company with the right to purchase one share for each five shares held. Rights expire in 30 days. **Price**—$3.75 per share. **Office**—North Margin Street, Franklin, Tenn.

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.

★ **Datanamics, Inc.**
Dec. 23, 1960 (letter of notification) 19,800 shares of common stock (par $10) to be offered for subscription by stockholders of record January, 1961, with rights to purchase 99 common shares for each share of capital stock held. Rights expire in 90 days. **Proceeds**—To purchase equipment and for working capital. **Office**—7400 Deering Street, Canoga Park, Calif. **Underwriter**—None.

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 pur-

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poses. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

● Digitronics Corp. (2/6-10)
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. (1/23-27)
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.

● Dodge Wire Corp. (2/27)
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. (1/27)
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.

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. (1/16-20)
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).

★ Eastern Camera Exchange, Inc.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & 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.

Electronic Tube Corp.
Nov. 28, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cathode ray tubes and associated electronic products. **Proceeds**—The acquisition of equipment; initiation of production; repayment of existing indebtedness and for working capital. **Office**—1200 E. Mermaid Lane, Philadelphia, Pa. **Underwriter**—Harrison & Co., Philadelphia, Pa. (managing).

Elion Instruments, Inc. (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. (1/23-27)
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).

★ Exploration Funds, Inc.
Jan. 9, 1961 filed $5,000,000 of units of participation in the company's 1961-A Oil and Gas Program. **Price**—$5,000 per unit. **Business**—The fund was organized under Oklahoma law in June, 1960, to engage in the business of evaluating, acquiring, testing, developing, equipping and operating oil and gas properties. **Proceeds**—For general corporate purposes. **Office** — McFarlin Building, Tulsa, Okla. **Underwriter**—Alex W. McCoy Associates, Inc., Tulsa, Okla.

● Falls Plaza Limited Partnership (1/23-27)
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.

★ FC Film Unit, Inc.
Jan. 3, 1961 (letter of notification) 500 shares of common stock (par $40). **Price**—$100 per share. **Business**—Production of motion pictures. **Proceeds**—For general corporate purposes. **Office**—515 E. 13th Street, New York, N. Y. **Underwriter**—None.

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 Continental Real Estate Trust
Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

★ First National Fund, Inc.
Dec. 27, 1960 (letter of notification) $300,000 of five-year 9% subordinated debentures to be offered in denominations of $500 each. **Price**—At face value. **Proceeds**—To purchase additional notes. **Office**—Suite 1101, Liberty Trust Building, Philadelphia, Pa. **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. (1/23)
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.

★ Fund of America, Inc. (2/28)
Jan. 6, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business** — The company, formerly named Southern Industries Fund, Inc., is an open-end balanced investment trust. **Office**—60 East 42nd Street, New York, N. Y. **Underwriters**—Ladenburg, Thalmann & Co., New York City and Minis & Co., Inc., Savannah, Georgia.

★ FWD Corp.
Dec. 15, 1960 (letter of notification) $300,000 of 6% 10-year convertible debentures to be offered for subscription by holders of common stock in multiples of $100. **Price**—At face value. **Proceeds**—To purchase the outstanding stock of Wagner Tractor, Inc. **Address**—Clintonville, Wis. **Underwriter** — A. C. Allyn & Co., Inc., Chicago, Ill. **Offering**—Imminent.

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.

● General Bowling Corp. (2/23)
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. **Underwriter**—McMahon, Lichtenfeld & Co., New York City.

General Development Investment Plans, Inc.
Oct. 6, 1960 filed 1,285 of Investment Plans. **Price**—To be offered for public sale with sales commissions ranging from 8% to 10%, depending upon the type of mortgage financing involved. **Proceeds**—For investment in Port St. Lucie Country Club homes, on the east coast of Florida. **Business**—The company is a wholly-owned subsidiary of General Development Corp., whose principal business is the development of large tracts of land into planned communities. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—None.

● General Foam Corp. (1/23-27)
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).

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.

★ Georgetown Apartments, Inc.
Dec. 19, 1960 (letter of notification) 1,350 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—For working capital and construction purposes. **Address**—Route 5, Charlottesville, Va. **Underwriter**—None.

★ Glassco Instrument Co.
Dec. 20, 1960 (letter of notification) 10,000 shares of capital stock (no par) to be offered by the issuing company and 20,000 shares of capital stock (no par) to be offered by Glassco Investment Co. **Price**—$5 per share. **Proceeds** — For working capital. **Office** — 777 Arroyo Parkway, Pasadena, Calif. **Underwriter**—Keon & Co., Inc., Los Angeles, Calif.

● 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 is no longer underwriter. A new underwriter is to be named.

● 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. **Business**—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).

★ Gravinetics, Inc.
Dec. 21, 1960 (letter of notification) $250,000 of 10-year, 6% debentures and 50,000 shares of common stock (no par) to be offered in units of a $25 debenture and five

shares of common stock. Price—$30 per unit. **Proceeds** —For development, advertising and operating capital. **Office**—3550 N. Central Avenue, Phoenix, Ariz. **Underwriter**—None.

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. (1/16-20)
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. (1/23-27)
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, at 11 a.m. (EST). **Information Meeting**—Scheduled for Jan. 12 at 11:00 a.m. at the Hanover Bank, New York City.

● Heinicke Instruments Co. (1/17)
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).

● Hydro-Electronics Corp. (2/15)
Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The design and manufacture of precision measuring equipment, automation equipment and general precision fluid controls. **Proceeds** — For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter**—Lloyd Securities, New York, N. Y.

● Hydromatics, Inc.
Nov. 25, 1960 filed $1,000,000 of debentures, due Jan. 1, 1971 with warrants for the purchase of common stock to be offered in units, each unit to consist of a $1,000 debenture and one warrant; and 20,000 outstanding common shares. **Price**—To be supplied by amendment. **Business**—The designing, manufacturing and selling of ball valves. **Proceeds**—To retire bank loans, purchase additional equipment and for working capital. **Office** — 5 Lawrence St., Bloomfield, N. J. **Underwriters** — Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day, both of New York (managing). **Offering**—Indefinitely postponed.

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. (3/1)
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.

● 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. **Note**—This statement is to be withdrawn.

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. (2/1)
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. **Note**—T. M. Kirsch Co., New York City, has replaced Ernst Wells as underwriter.

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.

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.

★ Jefferson Lake Asbestos Corp. (2/15)
Jan. 9, 1961 filed $2,625,000 of 6½% series A subordinated sinking fund debentures due 1972 (with series A warrants to purchase 262,500 common shares), and 175,000 shares of common stock to be offered for public sale in units consisting of four common shares and a $60 debenture (with a warrant to purchase six common shares initially at $5 per share). **Price**—$80 per unit. **Business**—The production and sale of asbestos. **Proceeds** —For construction and working capital. **Office**—1408 Whitney Building, New Orleans, La. **Underwriter** — A. G. Edwards & Sons, St. Louis, Mo. (managing).

● Jonker Business Machines, Inc. (2/15)
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.

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.

★ Kurz & Root Co.
Dec. 30, 1960 (letter of notification) 66,500 shares of common stock (par $1). **Price**—$4.50 per share. **Proceeds** — For general corporate purposes. **Office** — 232 East North Island Street, Appleton, Wis. **Underwriter**— Milwaukee Co., Milwaukee, Wis.

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 Arrowhead Development Co.
Jan. 10, 1961 filed 300,000 shares of common stock. **Price** —$10 per share. **Business** — Managing and developing the Arrowhead property, which is located in the San Bernadino Mountains. **Proceeds**—To reduce indebtedness, with the balance for general corporate purposes, including working capital. **Office** — Lake Arrowhead, Calif. **Underwriters** — Van Alstyne, Noel & Co., New York City, and Sutro & Co., San Francisco (managing).

★ Lake Superior District Power Co. (2/7)
Jan. 9, 1961 filed $3,000,000 of first mortgage bonds, series F, due Feb. 1, 1991. **Proceeds**—To finance part of the company's construction expenditures, including the payment of $2,500,000 of bank loans incurred for that purpose. **Office**—101 West Second Street, Ashland, Wis. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. (jointly); Robert W. Baird & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—To be received in Chicago on Feb. 7.

"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

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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). **Offering**—Expected in late January.

● **Lifetime Pools Equipment Corp. (1/24)**
July 1, 1960, filed 175,000 shares of common stock. **Price**—$3.25 per share. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriters** — Pacific Coast Securities Co., San Francisco, Calif. and Grant, Fontaine & Co., Oakland, Calif. **Note**—Statement effective Nov. 23.

● **Lone Star Gas Co.**
Dec. 6, 1960 filed a maximum of 655,733 shares of common stock (par $10) being offered to holders of record Jan. 5 on the basis of one new share for each 10 shares then held, with rights expiring Jan. 23. **Price**—$40 per share. **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).

★ **M. B. C. Nome Co.**
Dec. 19, 1960 (letter of notification) 18,000 shares of convertible preferred stock. **Price** — At par ($5.75 per share). **Proceeds**—For working capital and expansion. **Office**—61 Renato Court, Redwood City, Calif. **Underwriter**—C. R. Mong & Associates, Menlo Park, Calif.

● **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. **Offering**—Imminent.

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).

★ **Measurements Systems, Inc.**
Dec. 23, 1960 (letter of notification) 60,000 shares of common stock. **Price**—At par ($1 per share). **Office**—53 Water Street, South Norwalk, Conn. **Underwriter** — None.

★ **Medco, Inc.**
Dec. 19, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To open new licensed departments in 1961. **Office**—211 Altman Building, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

★ **Memorial Artcrafts, Inc.**
Dec. 19, 1960 (letter of notification) 20,000 shares of class A 6% cumulative preferred stock and 10,000 shares of common stock to be offered in units of one share of common and two shares of preferred. **Price**—At par ($10 per share). **Proceeds**—For construction of a building, purchase of equipment and for working capital. **Office**—912 W. Yakima, Yakima, Wash. **Underwriter**—None.

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.

★ **Mercury Electronics Corp.**
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par five cents). **Price** — $3 per share. **Business**—Manufacturers of testing equipment. **Proceeds**—For general corporate purposes. **Address**—Mineola, L. I., N. Y. **Underwriter**—None.

★ **Mesabi Iron Co.**
Jan. 10, 1961 filed 180,000 shares of capital stock, to be offered for subscription by the company's stockholders. **Price**—To be supplied by amendment. **Proceeds**—To establish a reserve for 1960 tax payments. **Office** — 452 Fifth Ave., New York City. **Underwriter**—None.

★ **Metal Marking Industries, Inc.**
Dec. 23, 1960 (letter of notification) 50,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—To purchase raw materials, move to new quarters, for machinery, and for working capital. **Office**—870 S. Acoma Street, Englewood, Colo. **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. (2/1)**
Oct. 27, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The firm discounts retail instalment sales notes for dealers in shell homes, mobile homes, and cars; finances at wholesale inventories of dealers in mobile homes and cars; makes small loans directly to borrowers; and operates various insurance subsidiaries, including a life insurance company. **Proceeds**—To repay short-term bank loans, which on Sept. 30 amounted to $31,529,000. **Office**—1100 First National Bank Bldg., Cincinnati, O. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O Box 886, Rapid City, S. D. **Underwriter**—None.

● **Milo Electronics Corp. (3/1)**
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. (1/20)**
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.

★ **Modern Materials Corp.**
Jan. 4, 1961 filed 150,000 shares of common stock, of which 50,000 will be offered for sale by the company and the remaining 100,000, being outstanding stock, by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and distribution of aluminum and asphalt siding and related accessories. **Proceeds** — For the repayment of loans and for general corporate purposes. **Office**—7018 South Street, Detroit, Mich. **Underwriter**—Smith, Hague & Co., Detroit (managing).

● **Mohawk Insurance Co. (1/23-27)**
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.

● **Monach Electronics International, Inc. (2/7)**
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.

● **Montgomery Ward Credit Corp. (2/1)**
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 February to early March.

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.

★ **Nu-Line Industries, Inc.**
Dec. 13, 1960 (letter of notification) 16,666 shares of common stock (par 20 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—1015 S. 6th Street, Minneapolis, Minn. **Underwriter**—None.

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. 28, 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.**
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. **Note**—The company was reported to be considering a postponement on the afternoon of Jan. 11.

★ **Pacific Western Trust**
Jan. 3, 1961 (letter of notification) 295,000 shares of capital stock (par 50 cents). **Price**—$1 per share. **Proceeds**—To purchase mortgages and other liens on interest in real estate. **Office**—c/o George Bennie Beal, 2097 Twinview Drive, Salt Lake City, Utah. **Underwriter**—None.

Pa m 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.

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.

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 162,500 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. **Business**—The processing of photographic film, the wholesale distribution of photographic equipment and the operation of three retail camera shops in the Chicago area. **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** — 220 Graceland Ave., 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. **Note**—This statement was effective Jan. 6.

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.

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. (1/16-20)**
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.

★ **Product Design & Engineering, Inc.**
Dec. 28, 1960 (letter of notification) 225,000 shares of common stock (par 10 cents). **Price**—$1.15 per share. **Proceeds**—To purchase a plant and equipment and for working capital. **Office**—750 S. Florida Avenue, Minneapolis, Minn. **Underwriters**—Continental Securities, Inc., Minneapolis, Minn. and Sampair & Egan, Inc., St. Paul, Minn.

● **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). **Note**—This statement was withdrawn Jan. 6.

Radar Measurements Corp. (2/15)
Sept. 28, 1960 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office** — 190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y.

Rajac Self-Service, Inc. (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. (3/1)**
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).

★ **Renwell Electronics Corporation of Delaware**
Jan. 9, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all of the outstanding stock of Renwell Electronic Corp., a manufacturer of electronic assemblies and various other electronic components. **Proceeds** — For new equipment, plant expansion and working capital. **Office**—129 South State Street, Dover, Del. **Underwriter**—William David & Motti, Inc., New York City. **Offering**—Expected in March.

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. (1/18-20)**
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.

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Office — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City.

● **Restaurant Associates, Inc. (1/17)**
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. (1/23-27)**
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).

★ **Rickards Aircraft Supply Co. (2/2)**
Dec. 29, 1960 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To retire a bank loan and an equipment loan, increase inventory, and for working capital. **Office**—111 S. W. 33rd Street, Fort Landerdale, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

● **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. **Offering**—Expected in mid-February.

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 nonferrous 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 February 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.

★ **Scherr-Tumico, Inc.**
Dec. 27, 1960 (letter of notification) 100,000 shares of common stock (par $2). **Price**—$3 per share. **Proceeds**—For working capital. **Address**—St. James, Minn. **Underwriter**—None.

(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. (1/13)**
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. (1/23-27)**
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).

★ **Sealander Inc.**
Dec. 19, 1960 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—To start operations in manufacturing and selling boats. **Office**—2228 McElderry Street, Baltimore 5, Md. **Underwriter**—Robinette & Co., Inc., Baltimore, Md.

★ **Search Investments Corp.**
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **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). **Note**—This statement has been withdrawn.

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).

● **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). **Note**—This registration was withdrawn on Jan. 5.

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.

★ **Southern Co. (2/14)**
Jan. 6, 1961 filed 900,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Offices**—1330 West Peachtree Street, N. W., Atlanta, Ga., and 600 No. 18th Street, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: 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). **Bids**—To be received at the office of Morgan Guaranty Trust Co., 60 Liberty Street, New York 15, N. Y. by 3:45 p.m. EST on Feb. 14. **Information Meeting**—Scheduled at the Chamber of Commerce, 65 Liberty Street, New York City at 3 p.m. EST on Feb. 10.

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.

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. (2/7)**
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Standard & Shell Homes Corp.
Nov. 1, 1960 filed 210,000 shares of common stock and $350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants to be offered in 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. **Offering**—Expected in late January.

● **Starfire Boat Corp. (1/16-20)**
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. (2/14-17)**
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).

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.

★ **Swiss Chalet, Inc.**
Jan. 4, 1961 filed 115,000 shares of 70¢ cumulative first preferred stock and 115,000 shares of common stock to be offered in units, each unit to consist of one share of preferred and one share of common. **Price**—$10 per unit. **Business**—Operates the Swiss Chalet Restaurant in San Juan, Puerto Rico. **Proceeds**—For the construction and furnishing of a seven-story hotel adjacent to the restaurant. **Office**—105 De Diego Avenue, San Juan, Puerto Rico. **Underwriters**—P. W. Brooks & Co., Inc., New York City and Compania Financiera de Inversiones, Inc., San Juan.

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. (1/23-27)**
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.

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.

★ **Tensor Electric Development Co., Inc.**
Jan. 5, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture and sale of electronic components and instruments. **Proceeds**—For general corporate purposes. **Office**—1873 Eastern Parkway, Brooklyn, N. Y. **Underwriters**—Dresner Co., Michael & Co. (managing), and Satnick & Co., Inc., all of New York City. **Offering**—Expected in early March.

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.

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. 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., Salt Lake City, Utah.

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.

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. (1/20)**
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.

★ **Trylon Chemical Corp.**
Dec. 30, 1960 (letter of notification) 4,000 shares of capital stock (no par). **Price**—$20 per share. **Proceeds**—To pay indebtedness of the company, purchase equipment and for working capital. **Address**—Golden Strip Drive, P. O. Box 5101, Station B, Greenville, S. C. **Underwriter**—None.

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.

● **United Automotive Industries, Inc. (1/17)**
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.

★ **U. S. Mfg. & Galvanizing Corp.**
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 40 Excange Place, New York, N. Y.

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.

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. (2/14-17)**
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).

● **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. **Underwriter**—B. N. Rubin & Co. of New York City. **Offering**—Indefinitely postponed.

● **Varifab, Inc. (1/16-20)**
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. (1/17-18)**
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Plymouth Securities Corp., New York City.

Vim Laboratories, Co., Inc.
Oct. 26, 1960 (letter of notification) 90,000 shares of class A common stock (par $1). **Price**—$2.75 per share. **Proceeds**—To provide funds for further expansion of the company's operations. **Office**—5455 Randolph Rd., Rockville, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

● **Westminster Fund, Inc. (1/16-20)**
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. (2/1)**
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.

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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.

● Yuscaran Mining Co.
May 6, 1960 filed 1,000,000 shares of com. 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. On Jan. 5, 1961, the company reported that it is negotiating a merger with another company and that financing plans have been indefinitely postponed.

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 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) on March 23.

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. Based on the estimated 223,400,000 common shares outstanding on Dec. 31, 1960, this would amount to about 11,170,000 additional shares. **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 $12,000,000 of 30-year first mortgage bonds, some time in March. **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 Brthers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

● Automation Development, Inc.
Sept. 20, 1960 it was reported that a "Reg. A" filing, comprising this firm's first public offering is expected. **Note** — This firm was formerly carried in this column under the heading "Automation for Industry Inc." **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York City. **Registration**—Expected on Jan. 13.

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 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).

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.

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.

★ Columbia Gas System, Inc.
Jan. 10, 1961 it was reported that this company plans to sell about $85,000,000 of debentures or bonds in 1961 or 1962. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc., and White, Weld & Co. (jointly).

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.

★ Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

★ Community Public Service Co.
Jan. 10, 1961 it was reported that this company plans to sell $5,000,000 of debentures in the second quarter of 1961. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

★ Consolidated Natural Gas Co. (2/7)
Jan. 9, 1961 it was reported that this company plans to sell $25,000,000 of debentures late in 1961. **Proceeds**—For construction. **Office** — 30 Rockefeller Plaza, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly); Halsey, Stuart & Co. Inc. **Bids**—To be received Feb. 7 at 11:30 a.m. (EST). **Information Meeting**—Scheduled for Feb. 2 at 10:30 a.m. (EST) at the Bankers Club, 120 Broadway, New York City.

● Continental Bank of Cleveland
Jan. 4, 1961 it was reported that this bank plans to offer publicly 16,000 common shares (par $10). **Proceeds**—To increase capital. **Office**—2029 E. 14th St., Cleveland 15, Ohio. **Underwriters**—Joseph, Mellen & Miller, Inc., 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 valued at about $14,600,000. 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 Street, 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 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.

★ Elk Roofing Co.
Jan. 6, 1961 it was reported that this company plans a full filing of 135,000 shares of common stock. **Proceeds** —To reduce long-term debt. **Office** — Stephens, Ark. **Underwriter**—S. D. Fuller & Co. **Registration**—Expected in mid-to-late 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) being offered to stockholders at $35 per share on the basis of three new 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, and $8,000,000 of new preferred stock. **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. **Bids**—Expected to be received on Oct. 18.

★ Geriatrics Pharamaceutical Corp.
Jan. 11, 1961 it was reported that this firm is planning a letter of notification covering 50,000 shares of 10¢ par common stock. **Proceeds**—For general corporate purposes, including the hiring of additional detail men. **Office**—45 Commonwealth Boulevard, Bellerose, L. I., N. Y. **Underwriter**—T. M. Kirsch & Co., 52 Wall Street, New York City. **Registration**—Expected in late January.

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). **Bids**—Expected to be received on Dec. 7, 1961.

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.

★ Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

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.

★ Interstate Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $8,000,000 of bonds in 1961 or 1962. **Office** — 1000 Main Street, Dubuque, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler.

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.

★ Kentucky & Indiana Terminal RR. (2/1)
Jan. 10, 1961 it was reported that the company plans to sell $6,800,000 principal amount of first mortgage bonds due March 1, 1986. **Proceeds**—To repay advances received from the Baltimore & Ohio RR. and the Southern Ry. Co. **Office**—70 Pine Street, New York 5, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; R. W. Pressprich & Co.; First Boston Corp. **Bids**—To be received in Room 2018, 70 Pine Street, New York City on Feb. 1 at 12 noon EST.

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.

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.

★ Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

★ McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

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.

★ Michigan Wisconsin Pipe Line Co.
Jan. 10, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell $28,000,000 of bonds in 1961 or 1962. **Proceeds**—For construction. **Office**—500 Griswold Street, Detroit 26, Mich. **Underwriters** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

● 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). **Bids**—Expected to be received on Sept. 28.

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 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. **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

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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).

★ Northern States Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly).

One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected sometime in January of 300,000 shares of common 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. (4/20)
Jan. 6, 1961 it was reported that this company plans to sell $12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20.

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).

★ Peoples Gas Light & Coke Co.
Jan. 10, 1961 it was reported that this company plans to sell about $35,000,000 of first mortgage bonds in 1961. **Proceeds**—To retire maturing bonds and for construction. **Office**—122 So. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp.

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.

★ Public Service Co. of New Mexico
Jan. 10, 1961 it was reported that this company plans to sell $12,000,000 of first mortgage bonds in 1961 or 1962. **Office**—819 Simms Building, Albuquerque, N. Mex. **Proceeds**—To repay bank loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; J. G. White & Co. Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.; Glore, Forgan & Co.; First Boston Corp.; White, Weld & Co.; Salomon Bros. & Hutzler.

● Puget Sound Power & Light Co. (2/15)
Jan. 11, 1961 it was reported that this company plans to sell $15,000,000 of bonds and 326,682 shares of common stock to raise about $25,000,000. The common would be offered for subscription by stockholders on the basis of one new share fo reach 10 common shares held. **Office** 860 Stuart Building, Seattle, Wash. **Underwriter**—Blyth & Co., Inc., New York.

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.

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).

★ Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

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 of which about half 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.

● 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. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas. **Underwriter**—Dillon, Read & Co., Inc.

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.

★ Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., 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 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.

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.

★ West Texas Utilities Co. (2/15)
Jan. 6, 1961 it was reported that this subsidiary of Central & South West Corp., plans to sell $8,000,000 of first mortgage 30-year bonds at competitive bidding. **Proceeds**—For expansion. **Office**—Abilene, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Equitable Securities Corp.; Blyth & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly).

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.
Jan. 5, 1961 it was reported that this company plans to sell about 33,000 additional common shares to stockholders on the basis of one new share for each three shares held. **Price**—About $40 per share. **Proceeds**—For expansion. **Office** — 132 East New England Avenue, Winter Park, Fla. **Underwriter** — None. **Registration** — Expected about March 15.

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

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nearly 18% (to 1.3 million net tons) over the 1,103,000 tons produced the preceding week.

Reports indicate that mills in the steelmaking districts of Pittsburgh, Cleveland, Youngstown, Philadelphia and Los Angeles are producing at preholiday levels. Mill operations in the Detroit, Buffalo, and Birmingham districts are described as steady. Production in the Chicago area is estimated at the highest level in two months.

Steel said to look for a five to 10% improvement in steel output and shipments this month over December's figures.

The upturn will be partly artificial—stemming from the release of some December orders that were held up because of year-end tax and financial statement considerations.

It will also reflect a postholiday pickup in consumption—but not of the size that's needed to spark the industry's recovery. Nothing is in view to suggest that steelmaking operations are going to pick up rapidly.

Scrap is staging a show of strength, *Steel* reported. Prices on factory material are up sharply at some points, giving a lift to the market generally despite the absence of active mill buying. *Steel's* price composite on No. 1 heavy melting grade rose for the third week in a row. It's at $31 a gross ton, up 67 cents.

Steelmakers will buy more capital equipment this year than in 1959, but less than they did in 1960, *Steel's* latest survey of metalworking's equipment ordering plans shows.

The steel industry, which is determined to get more production out of its existing plant, led the equipment ordering upturn last year. But it plans to spend 17% less in the first half of 1961 than it did in the last half of 1960.

All metalworking companies, including steelmakers, will order $4.6 billion worth of capital equipment this year, only $100 million below last year's total.

The overwhelming majority of the orders to be placed will be aimed at modernization, *Steel* said. Price fighting among domestic firms in nearly every segment of metalworking intensifies the need for lower unit costs. And ever increasing pressure from foreign rivals further accentuates that need.

Not many orders will be placed for equipment designed solely to expand capacity.

Outlays for equipment may prove to be one of the principal bulwarks in the economy this year.

Plus and Minus Factors in Steel Prospects

January steel shipments could show as much as a 10% improvement over December, according to *The Iron Age*, the national metalworking weekly.

Even so, it doesn't look as though the month will do much more than regain the levels of October and November. There are still enough negative factors at work in the market to hold any gain below that figure.

Automakers will trim about 300,000 units from first quarter schedules, compared with last quarter of 1960. And cuts are not limited to just one or two companies.

The past week had the earmarks of pushbacks pending in some auto orders. But the definite trend in steel will not be known for one or two months—except that the almost depression levels of December are past.

While automakers have indicated caution in their first quarter schedules and buying plans, there is a little more encouraging activity in other markets, *The Iron Age* says.

The magazine lists these positive factors:

(1) Consumption is still holding at a level well above shipments. One of these days, steel mill operations will have to reflect this.

(2) Seasonal factors may be concealing gains for some products. Stainless steel, for example, did not fall off in December. And heavy steels are holding at steady, if low, levels in the winter period.

(3) The sheet market, which has been held up by auto demand, is starting to get some support from appliance and general users.

(4) Oil producers have started buying a little more seamless pipe. The gain started last month. And it indicates inventories are finally running out.

(5) There are more orders from smaller companies. And some are coming from customers who haven't been heard from in months.

But negative factors are still working against a rapid and sharp recovery in steel operations, *The Iron Age* warns.

Some minus influences are:

(1) Linepipe projects, which take large tonnages of steel, are not due to start moving until spring.

(2) Tinplate is still a month or two away from its next heavy shipping season.

(3) Construction is still several months away from its seasonal upturn.

(4) Automakers plan a substantial reduction in production compared with last year when the steel strike was just ending. Current plans are said to call for about 1,450,000 cars to be built in the first quarter. This is well below the 2,002,000 cars built in the same three months of 1960.

The decrease reflects adjustments caused by the one million-plus new car inventory and sales declines in December, *The Iron Age* points out. And all of the automakers will probably contribute to the cutbacks.

Steel Production Data for The Week Ended Jan. 7

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 over-all 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 Jan. 7, 1961 was 1,361,000 tons (73.1*), a 23.4% gain over previous week's output of 1,103,000 tons (59.2*).

However, it represented a decline of 49.9% from the level of 2,715,000 tons recorded in the comparable 1960 week ending Jan. 9.

* 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 Jan. 7, 1961
North East Coast	70
Buffalo	59
Pittsburgh	62
Youngstown	58
Cleveland	77
Detroit	99
Chicago	85
Cincinnati	76
St. Louis	63
Southern	77
Western	85
Total industry	73.1

* Based on average weekly production for 1957-59.

January to Be Grim Period For Auto Industry

General Motors Corp. accounted for 69.9% of U. S. car output in the week ended Jan. 7, as the auto industry headed into a grim month of production cutbacks and employee layoffs, *Ward's Automotive Reports* said.

Declining 18%, car assembly was estimated at 70,915 units compared with 86,497 last week. In the same week last year, which did not include holiday shutdowns, 163,249 units were built.

Ward's said GM took 69.9%, Ford Motor Co. 19.8%, Chrysler Corp. 2.8%, American Motors 6.1% and Studebaker - Packard 1.4% of this week's production schedule.

No assembly plants worked Monday this week because of the New Year's holiday and many others wer either down on Tuesday or idled the entire week to keep production in line with dealer inventories, the statistical service said.

Idled all of this week were all Chrysler Corp. plants with the exception of Chrysler Division's Jefferson Ave. plant in Detroit, Comet output at Lorain (Ohio), standard-size Ford at Dearborn (Mich.) and Louisville (Ky.), Falcon at Lorain and Kansas City and Mercury at St. Louis.

Next week the Mercury plant at Wayne (Mich.) and A. M. Corp. in Wisconsin will be down but Chrysler Corp. will resume operations after a two-week shutdown.

Truck production this week was estimated by *Ward's* at 16,621 units following 15,371 last week. In the same week last year 27,674 were built.

Electric Output 0.4% Lower Than in Week Year Ago

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Jan. 7, 1961, was estimated at 14,245,000,000 kwh., according to the Edison Electric Institute. Output was 289,000,000 kwh. above that of the previous week's total of 13,956,000,000 kwh. but showed a drop of 63,000,000 kwh., or 0.4% below that of the 14,308,000,000 kwh. recorded in the comparable week ending Jan. 2, 1960.

Carloadings 16% Below Same Week a Year Ago

Loading of revenue freight on Class I railroads totaled 30,439,609 cars in 1960, the Association of American Railroads announced. This was a decrease of 574,940 cars or 1.9% compared with 1959 but an increase of 217,464 cars or seven-tenths of 1% above 1958.

Loadings in the week of Dec. 31, 1960, which included the Christmas holiday, were 406,346 cars. This was 61,632 cars or 13.2% below the previous week and 77,511 cars or 16.0% below the corresponding week a year ago.

There were 9,544 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Dec. 24, 1960 (which were included in that week's over-all total). This was an increase of 3,260 cars or 51.9% above the corresponding week of 1959 and 5,313 cars or 125.6% above the 1958 week.

Cumulative piggyback loadings for the first 51 weeks of 1960 totaled 546,067 for an increase of 136,229 cars or 33.2% above the corresponding period of 1959, and 272,766 cars or 99.8% above the corresponding period in 1958. There were 54 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 42 in the corresponding week of 1958.

Lumber Shipments Were 31.7% Above Production During Dec. 31 Holiday Week

Lumber shipments of 434 mills reporting to the National Lumber Trade Barometer were 31.7% above production during the holiday week ended Dec. 31, 1960. In the same week, new orders of these mills were 27.0% above production. Unfilled orders of reporting mills amounted to 25% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 13 days' production at the current rate, and gross stocks were equivalent to 50 days' production.

For the year-to-date, shipments of reporting identical mills were 2.7% below production; new orders were 5.0% below production.

Compared with the previous week ended Dec. 24, 1960, production of reporting mills was 42.0% below; shipments were 22.4% below; new orders were 17.0% below. Compared with the corresponding week in 1959, production of reporting mills was 35.8% below; shipments were 28.4% below; and new orders were 18.1% below.

Business Failures Off in New Year Week

Commercial and industrial failures dipped to 265 in the week ended Jan. 5 from 276 in the preceding week, reported Dun & Bradstreet, Inc. Despite this holiday downturn, casualties remained above the 242 occurring in the similar week of 1960 although they fell short of the 321 in 1959. Some 15% fewer businesses failed than in the comparable pre-war week of 1939 when the toll was 312.

Wholesale Food Price Index Edges Up in Latest Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., edged up fractionally in the latest week from the prior week, and it was noticeably higher than that of the similar period a year ago. On Jan. 3 it stood at $6.17, up 0.2% from the week earlier $6.16, and 8.2% higher than the $5.70 of the corresponding date a year earlier.

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

Wholesale Commodity Price Index Rises Fractionally From Week Earlier

Reflecting higher prices on grains, flour, steers, lambs and steel scrap, the general wholesale commodity price level rose fractionally in the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 265.54 (1930-32=100) on Jan. 3, compared with 265.05 a week earlier and 275.91 on the corresponding date last year.

There was a slight advance in trading in wheat during the week and prices finished fractionally higher than a week earlier. Volume in rye also climbed somewhat, and prices were up moderately.

Although corn trading was sluggish, prices were up fractionally from the preceding week. Purchases of oats expanded and prices rose moderately. A marked increase occurred in the buying of soybeans helping prices move up appreciably.

Flour prices edged up fractionally from a week earlier, reflecting a pick-up in domestic purchases late in the week and a slight gain in export buying; some small purchases of flour were made by the Netherlands during the week. Domestic buying of rice rose appreciably and stocks in some markets were limited; prices were unchanged from the prior week. Distribution of United States rice in November amounted to 2,723,000 pockets, compared with 2,045,000 in the comparable 1959 month.

Although trading in sugar was sluggish during the week, prices held steady. Coffee prices finished unchanged from the prior week, despite a leveling off in trading at the end of the week. Reflecting a decline in volume, cocoa prices were down moderately during the week.

Promotions Help Retail Trade Fractionally Exceed Year Ago

Extensive reduced-price post-Christmas sales promotions helped over-all retail trade in the week ended Jan. 4 rise fractionally over the similar period a year ago. Year-to-year gains in apparel, furniture, linens and new passenger cars offset declines in major appliances, floor coverings and draperies. Total retail volume for 1960 as a whole was up slightly from 1959, setting another new record, according to preliminary estimates.

The total dollar volume of retail trade in the recent week ranged from 1% below to 3% 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: East North Central and East South Central +3 to +7; West North Central, Mountain and Pacific Coast +1 to +5; West South Central 0 to +4; South Atlantic —1 to +3; New England —3 to +1; Middle Atlantic —7 to —3.

Nationwide Department Store Sales Up 4% 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. 31, 1960, show an increase of 4% above the like period last year. For the week ended Dec. 24* an increase of 30%* was reported. For the four weeks ended Dec. 31 a 6% gain was reported. The Jan. 1 to Dec. 31 period showed a 1% increase.

According to the Federal Reserve System, department store sales in New York City for the week ended Dec. 31 showed no change for the same period last year. In the preceding week ended Dec. 24 sales increased 44%* from the same week in 1959. For the four weeks ending Dec. 31 a 6% rise was reported above the 1959 period, and from Jan. 1 to Dec. 24 there was a gain of 1% 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.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Unlike most new Congresses and the start of a new administration at the White House, there is not going to be any "honeymoon" this time. At least, that is the way it appears now.

The ultra-liberals in Congress have already touched off some feuding behind the scenes even before President-elect Kennedy moves into the White House next week end.

But not everything was grim on Capitol Hill. There was still a sense of humor even among the Republicans who have a long, hard rebuilding job ahead if they expect their party to become a strong, virile voice once again in American politics.

Because so many Harvard professors and Harvard graduates are coming on the Washington scene, some GOP wits are referring to the Kennedy Administration as the "Broad A Administration." Others are quipping that the New Frontier is "way out where the waste begins."

The Goldwater Touch

Senator Barry Goldwater of Arizona, who apparently is going to be the biggest Republican figure on Capitol Hill in the 87th Congress, made a speech the other night to an evening-gown-and-black-tie dinner given by the Women's National Press Club in Washington. He directed his remarks theoretically to the liberals in the country.

Senator Hubert Humphrey, the ultra-liberal, responded with his good-humored address directed to the conservatives—"How To Be Happy Though Conservative." However, the normally glib Minnesotan came out a poor second in the speech-making. His colleague across the aisle on the Republican side verbally clobbered, facetiously, of course, the Humphreys in Congress and out.

Before the national audience (mostly Democrats), headed by Vice President-elect Lyndon B. Johnson and House Speaker Sam Rayburn, Senator Goldwater commiserated with President-elect Kennedy in finding sufficient number of cabinet and sub-cabinet appointees from "men who are acquainted with P-T boats, who have graduated from Harvard and who have been been ushers in one of the Kennedy weddings or who can play touch football."

Turning to some of the appointees, he referred to Michigan's long-time governor, G. Mennen (Soapy) Williams for one of his jabs. The Arizonan said Mr. Kennedy has appointed "Soapy" to be ambassador in Africa. He said that "had Dick Nixon been elected, the Republicans were going to give Soapy the same job."

In a serious note, Mr. Goldwater said unfortunately that the liberals believe their philosophy and spending can cure all ills. Of course this is impossible, said he. For 30 years, he said, "you Democrats" have been talking about the "forgotten man." He said some sympathy should go out to the forgotten American — who pays and pays and prays and prays and needs some relief from too many laws on the statute books of this country.

Senator Humphrey declared: "If I were to address my advice to outgoing conservatives, I would have a rather large audience. Seems to me there is a sizable exodus of conservatives from Washington led by a 5-star general and a Southern California attorney."

Back on Capitol Hill there is a lot of hustling and bustling taking place before the inauguration. Even before the new Congress took the oath and Speaker Rayburn became the Speaker for the 10th time, a group of ultra-liberals in the House had laid their plans to destroy the rule of seniority in the House.

Urge to Purge

The House Rules Committee is the target. More directly the conservative dean of the Mississippi Congressional delegation, Representative William M. Colmer, is the target. Mr. Colmer did not vote for the Kennedy-Johnson ticket. As a long-time member of the Rules Committee he has helped to block many ultra-liberal measures because the committee serves as a "traffic cop" for bills to reach the floor for consideration.

This might break out into a nasty fight that would have repercussions all during the session. Purging a committee member is not a solution to ultra-liberal legislation. Rarely does a program ever die or fail in Congress if it has the solid support of the people.

The budget which President Eisenhower is sending to Congress is expected to call for nearly $82 billion. Whatever the figure, there is little likelihood there will be a surplus on hand for fiscal 1962.

Proposed Legislation

There might very well be an unbalanced budget if Congress goes ahead and votes substantial funds designed to aid depressed areas. Assistance to the depressed areas is on the priority list o the President-elect.

President Eisenhower vetoed a modern WPA-type bill for areas of low economic levels in 1960 as he had done in 1958. The 1960 measure called for $251,000,000. However, President-elect Kennedy feels that these communities with chronic and heavy unemployment in both inflationary times and bad times should have some assistance.

There is no doubt that a depressed areas bill will pass Congress and be signed into law this year. It is a nice gesture, but it means that once it is launched it probably will go on and on and on. Can we afford it? A good many Congressmen will vote for it who otherwise would not do so because of the huge foreign assistance program our government has sponsored since World War II. They feel assistance should start at home.

The minimum wage increase proposal, on the must list of Mr. Kennedy, may get through Congress, but it seems unlikely right now that the hourly wage will jump from $1 an hour to $1.25. Probably the wage will be raised to about $1.15 an hour through compromise. The AFL-CIO will be greatly disappointed if the wage minimum isn't increased to $1.25. A few million more workers probably will be covered under the wage-hour proposal. These will include department store workers.

School Aid Unjustified

The minimum wage is not only going to run into a tremendous amount of opposition, but the Kennedy priority proposal of aid to education is going to evoke a controversy, particularly in the South. The proposal for Federal grants is a bad bill and should not be enacted.

Once the states start taking the Federal grants for school construction or salaries for teachers it will continue from then on. Despite all the propaganda about the school situation, there is no real classroom shortage in this country. It is true that education is big business, and is getting bigger all the time, but most local communities are able to take care of their local school needs.

The school teachers, of course, will generally be for the proposal, and they will carry a great deal of influence. Many of them will not doubt tell their classroom children to urge their mothers and dads to write to their Congressman and ask him to vote for the legislation. This still will not make it a good bill. It would not be long after the Federal grants start that the Federal bureaucrats in Washington would be telling the local school districts that they must comply with standards set in Washington, if they expect to continue receiving those grants.

The school aid bill would be another case of the Central Government in Washington collecting tax funds from the communities, bringing it to Washington to take out certain operating expenses, and sending the money back, minus the Washington cut, which is always substantial.

Other Welfare Measures

An omnibus housing bill, another priority measure, is a cinch to be enacted. Additional FHA mortgage authority and urban renewal funds are going to be required during the year. There is a possibility that Congress might reduce the FHA interest rate and at the same time increase the FNMA mortgage-purchase funds.

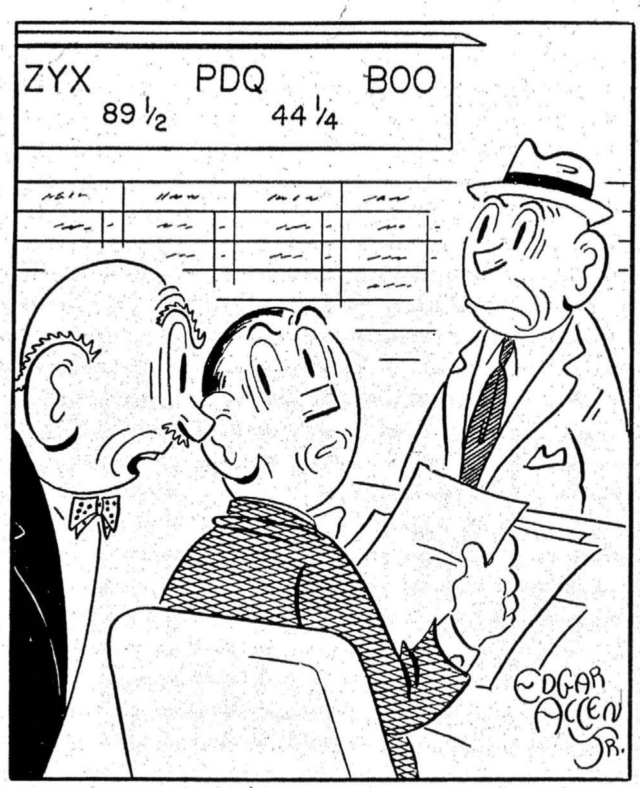
The House and Senate Banking and Currency Committees are expected to take early and favorable action on the housing measures.

If the new Administration gets its way, there will be a medical care legislation to aid persons 65 and over. Who is going to pay for it? Everybody that pays Social Security taxes. Both employe and employer would have his Social Security taxes raised one-fourth of 1%.

It is a foregone conclusion Congress not only will be asked, but will raise the ceiling on the public debt. It reverts to $285 billion at the beginning of the next fiscal year, which is July 1. Apparently there will be no effort made to remove the 4.25% interest rate limit on U. S. Treasury bonds. There is no ceiling on short-range securities or those under five years.

Although there is some talk in Washington of a possible tax reduction—as is usually the case every year after Congress convenes—it is 100-to-1 there will be no reduction in income taxes. If anything, taxes will go up in three or four areas. Of course, no across-the-board tax increase is in the offing, unless, of course, a grave international situation should develop.

[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.]



"Couldn't you merely say 'it lacks appreciation potential' instead of 'it stinks'?"

COMING EVENTS

IN INVESTMENT FIELD

Jan. 20, 1961 (Baltimore, Md.)
Baltimore Security Traders Association annual mid-winter dinner at the Southern Hotel.

Jan. 30, 1961 (Chicago, Ill.)
Security Traders Association of Chicago annual Mid-Winter Dinner at the Ambassador West.

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.

E. L. Raymond Opens

SARASOTA, Fla. — Edward L. Raymond is conducting a securities business from offices at 7934 North Tamiami Trail.

Granbery, Marache Branch

SPRINGFIELD, Mass.—Granbery, Marache & Co. has opened a branch office in the Third National Bank Bldg. under the management of Edward G. Culverwell.

Kerns, Bennett Opens

WHITESTONE, N. Y. — Kerns, Bennett & Co., Inc. has been formed with offices at 166-57 Twenty-second Avenue to engage in a securities business. Officers are Rub.n J. Kaplan, President and Treasurer, a.d Nettie Kaplan, Vice-President and Secretary.