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## *Editorial* AS WE SEE IT

"Africa for the Africans!" This cry uttered by one of the aides of the President appears to have stirred up a small hornets' nest when recently uttered. There apparently were those who feared that by "Africans," the speaker meant only the black peoples of that bedeviled continent. The President himself after a few days, however, asserted in effect that the speaker obviously intended to include all who thought of themselves as Africans no matter what their creed or color, and on that basis added that he did not know "who else Africa should be for," or words to that effect. It will be recalled that not very long ago the cry went up "Asia for the Asians," and many are now in effect shouting "Cuba for the Cubans." It is a typical slogan of the times when what is known as anti-colonialism is rampant.

The trouble is that whether applied to Africa or to any other continent or part of the earth, it does not have very much relation to reality, however inviting it may sound to the ardent but unthinking reformer of the day or to the backward peoples who feel that they are most concerned. Take Africa as an example. Two pertinent questions at once arise. One of them has already been raised with vehemence—and only partly answered by the President. That is the question as to whom "Africans" really are. And once that question is answered in concrete terms—not the vague terms of the President—it is at once found that among the various and diverse peoples who think of themselves as Africans, and have a valid claim to the description, there is anything but unity of thought and purpose even when actual warfare among them is not present or immediately threatened. What is equally clear is that full title to all that they claim as Africa would in the end place them in a worse rather than a better position, or such is the case in many instances since it would leave them with many white elephants on their hands which would soon refuse to work. The next question is not quite so obvious, but is equally pertinent and important. It is this: What is to be included in the term Africa? *(Continued on page 24)*

# Outlook for Business, Interest Rates and the Securities Markets

*By* Edson L. Bridges, II, *Partner, Bridges Investment Counsel, Omaha, Nebraska*

**Investment adviser charts future course of interest rates and stock price movements in light of economic outlook. Impending increases in interest rates and yields in money market are expected to check lowering long-term yields, in about 3 to 6 months. Counsellor postulates D-J corporate earnings of $38-40 per share with recovery leaving P/E at 18-20 range, and a DJIA increase from 685 high to 700-800 level around second half of 1961 or in 1962.**

Given reasonably normal circumstances, the developments which take place in the bond and stock markets should reflect the changing conditions in the national economy. Thus, before making any forecasts, some consideration should be given to the probable trends in business and governmental activities for the next six to 18 months.

Edson L. Bridges

(1) The current business recession will probably "bottom out" by mid-1961, possibly a little earlier.

(2) The subsequent recovery should be of only moderate proportions because it will rely heavily upon Federal Government spending for stimulation, and certain hurdles will have to be surmounted: (a) a consumer economy amply stocked with appliances, cars and homes; (b) an excess of production capacity in many industries—tending to dampen capital spending; (c) a burdensome personal and corporate income tax structure.

(3) Instead of immediate tax reductions, the Kennedy Administration has chosen increased spending as a means of fighting the current business recession. Programs of the type proposed carry the threat of Federal expenditures exceeding revenues, and the falling corporate profits of the last nine months will add to any deficit in governmental operations. Thus, the Treasury is expected to be a net borrower of funds in the last half of 1961 and in 1962.

(4) A major and sustained rise in the economy would be attainable if broadly based income tax reductions are legislated and made permanent, but this eventuality does not seem probable at this juncture.

### The Borrowed Capital Markets

*Recent Patterns* — Short term interest rates are still high relative to the ones which prevailed at the bottom of the 1957-1958 recession — see the yields on Treasury bills, bankers acceptances and prime commercial paper shown on Table 1. In the past few months, the Federal Reserve Board's policy has been to avoid depressing interest rates in the short term money markets in order to provide yields which are attractive enough to keep liquid funds from flowing into European securities, where considerably higher returns have prevailed. The gold outflow problem is ameliorated when short term investment money stays in the United States.

Table 1 shows that U. S. Treasury Bonds with maturities exceeding five years are currently selling at their lowest yields in the present economic cycle. The Federal Reserve has announced its intention to buy bonds in the intermediate and long term ranges, hence these yields may work down somewhat lower. However, in order to maintain buying interest in the long term bonds, a favorable yield differential will have to be maintained in favor of the long term instruments. Therefore, these yields are not likely to fall below the 3.25%-3.50% area. Without buying support from the Federal Reserve, *(Continued on page 23)*

**PICTURES IN THIS ISSUE: Candid photos taken at the 39th Annual Mid-Winter Dinner of the INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA appear in today's PICTORIAL SECTION.**

# 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

**Boonshaft & Fuchs, Inc.**—Richard M. Mahar, Vice-President, Research Department, Hess, Grant & Remington, Inc., Philadelphia, Pa. (Page 2)

**Orange and Rockland Utilities, Inc.**—Curtis V. ter Kuile, New York City. (Page 2)

CURTIS V. TER KUILE*
*New York City*

**Orange and Rockland Utilities, Inc.**

It is not necessary for an investor to go down to Houston or Amarillo, or out in the Middle West to find a growth situation in a public utility, because one of the most dynamic companies in that classification will be found just across the Hudson River above New York City.

Curtis V. ter Kuile

One of the fastest growth situations in any line of business that the writer knows of is Orange and Rockland Utilities. In the past five years the net income of that company has increased by 70.0%, and it gained 10.2% in the year 1960 over 1959.

Orange and Rockland common stock is selling on the New York Stock Exchange at 46¾ to yield about 2.35% on its present dividend rate of $1.10 per share. The high and low prices for 1960-1961 have been 48-35⅝ and they were 29½-22⅝ in 1959, 23¾-19⅛ in 1958 and 19⅞-16⅝ for 1957. The stock is rated A— by Standard & Poor's and some dividend has been paid in each year since 1908.

The 5% convertible cumulative preferred stock, series E, is selling over-the-counter at 145 to yield 3.45%. It is callable at 105 and convertible into common stock at $33⅓ per share. There were 39,165 shares offered to stockholders under rights at $100 per share on April 14, 1960. The dividend is 85% tax free to corporate holders.

On the balance sheet of Dec. 31, 1959, adjusted to the issuance of the above convertible preferred stock, the current ratio was 1.12 to 1, net working capital $965,000, debt $52,592,000, $13,239,000 of preferred stock, and 1,958,910 shares of common stock, $10 par value.

The company earned a net income of $3,832,441 or $1.67 per share of common stock in 1960 as against $3,477,928, or $1.56 per share in 1959, $2,909,746 in 1958 and $2,256,000 in 1955. Thus, the net income has increased 70.0% in five years and 10.2% in the past year as compared with 1959. In 1960 the overall cover of bond interest and preferred stock dividends was 2.29 times after income taxes.

This company serves an estimated population of 343,000 in Rockland, Orange and Sullivan Counties, N. Y., in Passaic and Bergen Counties, N. J., also in Pike County, Pa. Its operating revenue in 1960 was derived 67.6% from electricity and 32.4% from natural gas. The service area extends 37 miles along the west bank of the Hudson River from a point six miles north of the George Washington Bridge. The New York State Thruway, the Palisades Interstate Parkway and Route 17 to the Catskill Mountains run through the company's territory. The Tappan Zee Bridge across the Hudson River affords easy communtation to New York City by automobile and bus. The Garden State Parkway comes in from the south. This is a dynamic growth situation. A large part of the territory served is located in the New York metropolitan area and accessible to the city by two bridges over the Hudson River. The population served has gone up about 36% during the eight years ended Dec. 31, 1958 and this trend is continuing.

Here is a case where the convertible preferred stock yields 1.10% more than the common stock, yet is senior to it and has a call on three shares of common stock per share of preferred. In the past four years the common stock has risen from 16⅝ to 46¾, which is an excellent performance for a utility. On Oct. 9, 1957 the company issued 28,096 shares of $5.75 convertible preferred stock, series C at $100 per share. It was convertible to common stock at 19¼. On May 27, 1959 this preferred stock was called at 105¾ at a time when the common stock was selling at 25 and the preferred at 130, thus forcing conversion. Historically there should be an excellent chance that the new 5% convertible preferred stock would also be called.

In addition to the tremendous growth potential, there is another possibility in this situation. The properties and service area of the Consolidated Edison Company of New York extend up through Westchester County, directly across the Hudson River from the Orange and Rockland service area.

Consolidated Edison is understood to be thinking over plans for its own expansion. It could make a bid for the Long Island Lighting Company. Central Hudson Gas and Electric would be a good acquisition for Consolidated Edison as Ceneral Hudson's service area lies from 50 to 130 miles from New York City. These companies are all connected by high tension lines. There is no danger of public power in their service areas. The 117,600 kw Tompkins Cove plant of Orange and Rockland is just across the Hudson River from Peekskill and the new atomic energy plant of Consolidated Edison at Indian Point. For many years control of Orange & Rockland has been held in Boston. In other words, it would be difficult to acquire the Central Hudson, whose shares are widely distributed, whereas one need only try to deal with one concern for control of Orange & Rockland. It is an interesting situation to contemplate, for both Consolidated Edison and Orange & Rockland stockholders would benefit substantially from such a merger.

Conservative investors need at least 3.45% income should consider the Orange & Rockland 5% convertible preferred stock. Wealthy individuals, who can get along on a small dividend, would have a better market if they purchased the common stock on the New York Stock Exchange. If and when something important develops, both of these stocks should benefit, but of course the common stock doubtlessly would show the larger capital gain.

*The writer is a graduate mechanical engineer, Cornell University. He has been engaged in engineering and the investment business for many years and is a member of the Cornell Engineering Society and the New York Society of Security Analysts.

RICHARD M. MAHAR
*Vice-President, Research Department, Hess, Grant & Remington, Inc., Philadelphia, Pa.*
*Members: New York Stock Exchange, American Stock Exchange (Assoc.), Philadelphia-Baltimore Stock Exchange*

**Boonshaft & Fuchs, Inc.**

In this exciting era of the space age and under the impetus of the technological competition between ourselves and the U. S. S. R., new vigorous companies are constantly springing up and thriving. Some of these concerns achieve a remarkable rate of growth and go on to become recognized industry leaders. Many such as Boonshaft & Fuchs, Inc., combine in their rapid growth through defense and space contracts an ability to spin off products of value to industry, thus forming a broad base for further and continued growth independent of the vicissitudes of defense and space government spending. The trick for the investor is to recognize these firms whose growth potential is an inherent part of their method of operation and management, catch them in their infancy and then to ride along with them as they mature.

Richard M. Mahar

In the short span of its existence Boonshaft and Fuchs, Inc., has been responsible for the design and construction of specialized feedback control systems which are installed on the most advanced aerodynamic and hydrodynamic test facilities in this country. Examples of this work are:

**Cornell Aeronautical Laboratory, Wave Superheater Wind Tunnel:** This facility attains hypersonic test conditions. The five control systems provided by Boonshaft and Fuchs, Inc., put these loops on control within one second of initiation of the run.

**National Aeronautical & Space Administration, Ames, Helium Hypersonic Wind Tunnel:** This facility also attains hypersonic test conditions. The pressure control system supplied by Boonshaft and Fuchs, includes a process simulator for checkout which permits overall dynamic operation without consuming the helium.

**NASA—Langley Field, 26-inch Variable Mach Wind Tunnel:** The multiple electro-hydraulic control systems vary a nozzle shape giving fast and precise adjustment of Mach # at the test section.

**NASA—Langley Field, AC and DC Arc Jet Wind Tunnels:** Electro-Hydraulic and Electro-Pneumatic control systems maintain proper operating conditions for tests up to ultra high temperatures, such as are experienced in re-entry from space flight.

**David Taylor Model Basin-Wavemaker:** A multiple actuator

*Continued on page 28*

*(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.)*

# Our Balance of Payments Problem and World Liquidity

By David Rockefeller*, President, The Chase Manhattan Bank

**New York banker addresses himself to ways of overcoming our balance of payments deficit and of not jeopardizing our dollar internationally when pursuing domestic anti-recession measures. To spur sales abroad, he proposes that commercial banks set up export finance subsidiaries to cover the gap in longer term financing. Loans would be government guaranteed and funds would be drawn from non-banking financial institutions. To provide sufficient monetary liquidity for expanding world trade and protection of key currencies from strain, Mr. Rockefeller comments on: Triffin Plan; governmental agreements to hold each other's currencies instead of demanding gold; borrowing from IMF and non-dollar IMF loans; and E. M. Bernstein's proposal for IMF to borrow from countries running surpluses.**

I think it is helpful, even necessary, in approaching our international financial problem to recognize that it has two rather separate, but vitally related, elements. First, we have the fact of a continuing deficit in our payments with other nations, and the various actions that must be taken if we are to eliminate the deficit. But then secondly, we must consider the whole system of international currency reserves necessary to the financing of trade between nations, which has been built up in the postwar years, and the role of the dollar in that system. For I am not sure it is widely realized that the United States could have a sizable gold outflow even if our own international payments were in balance; or, conversely, that if foreign creditors are willing to keep on acquiring dollars, and dollar obligations in payment for goods sold and services rendered, then there can be a very sizable payments deficit with no outflow of gold. It is important, then, to face both aspects of the problem—and to take wise action on both fronts.

David Rockefeller

Clearly, the most urgent matter at present is the sizable deficit in our balance of payments. This deficit has not only led to a sharp rise in foreign holdings of dollars—it also raises grave concern about our ability to manage our own affairs. The result of a large and persistent deficit has been a tendency on the part of those holding dollars to convert them into gold or other currencies, lest the value of the dollar become impaired.

There is a certain ironic quality in the way this payments deficit continued to unfold over the past 12 months. For the truth is that our country made a great step forward in 1960 toward reducing the basic hard-core deficit. Our exports in this period have increased to a rate of near $20 billion annually, while imports have leveled out. The resulting favorable balance of trade of close to $5 billion is far larger than that of any other nation. Yet in spite of all this, we had more real difficulty with the dollar in 1960 than at any other time in recent years.

The reason, of course, lay in a new element in the picture: a sizable outflow from the United States of short-term funds which was in no way related to trade. All told, this outflow amounted to $2 billion or more, much of it in the second half year. Never before in the postwar years have we experienced an outflow on a similar scale. Without it, the deficit on our foreign payments, because of our large favorable trade balance, would have been reduced to more manageable proportions—perhaps to $1½ to $2 billion.

The initial spark that induced these funds to move abroad was clearly a differential in short-term interest rates which opened up between the United States and Western Europe. In late summer, you will recall, this differential amounted to as much as 3½%, and the cost of hedging on forward exchange was seldom more than half that amount. It was too great a temptation for treasurers and international speculators with sharp pencils. Unfortunately, the movement in dollars set off a gold outflow. It also produced the illusion that our basic payments position was getting worse, rather than better. At any rate, certain companies that foresaw a need for funds abroad at some future date were spurred to make immediate transfers, and they were then joined by others, including speculators, who began to bet against the future of the dollar. A stream of modest size soon threatened to become a flood. An outflow of gold caused by a spread in interest rates came close to precipitating a confidence crisis for the dollar, which might have been far more serious.

Fortunately, this danger now appears to have passed. Not only Americans, but foreigners holding dollars seem to have regained their poise and perspective. In the meantime, too, the differential in interest rates has narrowed. Today, after hedging on forward exchange, the differential amounts to about 1%, a far less tempting lure to foreign exchange speculation. Certain American companies with rather sizable holdings of short-term foreign assets are now considering repatriating at least part of their dollars.

A lesson might fairly be drawn from this experience, for all of us in the business community. It would seem wise and responsible—in a time such as the recent past, when the national interest

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# OBSERVATIONS...

BY A. WILFRED MAY

## THAT TOUGH SECOND BET

This new year's 9% rise of stock prices in the face of a declining economy again typifies both the divergence between the two, and the forecasters' greater difficulty with the stock market. Whereas the accentuation of the late 1960 "Recession-or-What" was correctly foreseen, the market was mistakenly expected to decline, as "motivated" by economic, technical and even "seasonal" (with February a "down month") factors. The second horserace in this two-bet *parlay*, is by far the harder to dope.

This is in line with most of the past major instances of divergence of the stock market from the accompanying economic events. These have included the late 1920's through the Great 1929 Crash, the 1935-1936 period of a bull market rise of 50%, the 1939-1942 early war years, the postwar 1946-1949 interval of booming business and sliding stocks, the converse in the late Korea-year 1952, and the stock rise-versus-business slump of 1958. Throughout the record shows that the forecasters did a better job on the economy than on the stock market.

### Split Results by the Funds

The same divergent results seem to apply to the Mutual Funds' forecasting efforts (most of whose literature adheres to the customary mythical premise of correlation between the economic factors and market fluctuations). A leading fund management organization has compiled for us, for each year since 1955, its economics department's forecast along with the subsequent actual results, for each of 50 economic indicators; and the same for the stock averages. In each of the last four years, the economic data forecasts were more accurate; in 1956 the market prediction was better; and in 1955 they were about even.

For 1961 this management, quite typically, has predicted both lower business activity and stock prices during the early part of the year, with a pick-up in each during the second half.

### Market Experts' Prediction Derby

The results of the annual February-to-February Market Prediction contest for the financial writers conducted by Eastman Dillon, Union Securities & Co. are again interesting. With the Dow Jones Industrial Average showing a net rise from 622 to 649, the "bettors" (with 13 of the firm's employes included) ranged all the way from 395 to 850, with the average of the forecasts at 624. For the utilities, the average guess was 87, against the actual close of 107, up from 85 at the beginning of the year.

The guesses in previous periods were considerably more unsuccessful. The mean prediction in 1960-61 was a 12% rise against an actual one of 4%; in 1959-60 the guess was for a market *drop* of 6%, whereas there followed a *rise* of exactly that amount; and in 1958-1959 the actual *rise* of 32% was guessed as only 1%.

### An Official Line

Incidentally, Professor Paul A. Samuelson, P r e s i d e n t of the American Economic Association, and leader of President Kennedy's Task Force in the economic sphere (along with the President's Council of Economic Advisers), predict recovery to begin shortly before mid-year — but with no forecast about stock prices.

### Diversified Interpretation

The pervasive difficulty in anticipating the public's *reactions* to the economic factors, is now exemplified in the sudden cessation of our gold outflow, and the "normalization" of its market price abroad. This new *deflationary* behavior is being explained widely, with our Central Bank officials included, on the *realization* that the President *now* "means business" in forestalling devaluation. Why this was not "realized" from his previous statements is not clear. In any event, in direct contrast the sensational stock market activity is concurrently being ascribed to the President's *in-flationary* programs policies and intensions; and on prospective re-valuations.

## ON DOLLAR "MYTHOLOGY"

Re-examination of the "happy" status of the Canadian dollar is most timely now—midst re-valuation and rumored de-valuation of other currencies. Selling at a premium above the American dollar for years, it has over the past two weeks risen from 101¼% to 101½% above parity, largely because of Red China's buying of Canadian grain as well as recent flotations of loans here.

Reflecting authoritative skepticism on the Canadian side is the view recently expounded by Mr. James E. Coyne, the Governor of the Bank of Canada, the central bank, that it may become necessary to restrict the inflow of foreign capital and goods from abroad. Also there is our neighbor's complaint that issues of Canadian securities payable in U. S. dollars may e x e r t undesirable pressure on Canada's *terms of trade.*

### Escapism

The U. S. citizens' endorsement of the favored Canadian currency status may be partly reflecting an inferiority complex we harbor toward our dollar, with manifestion of the foible *the grass on the other side of the fence always looks greener.*

This explanation for the "myth" of Canadian conservatism and financial s t r e n g t h forms the keynote of an interesting and useful pamphlet by William Stix Wasserman, investment banker, economist, and former chief, U. S. Economic Mission in Australia. (*A Study of the Canadian Dollar —The Myth and the Reality,* publ. Wm. Stix Wasserman & Co., Inc., 70 Pine Street, New York City.) "When Americans think that our government may do something radical or embark on an inflationary policy, they often look to Canada as the safer refuge for their dollars without ever examining the facts, namely that Canada's so-called financial strength and the strength of the Canadian dollar is based upon an illusion that could rapidly disappear when looked at in the light of balance-sheet realities."

### The 20-Year Deficit

Pinpointing his argument, Mr. Wasserman cites Canada's 20-year adverse balance of merchandise and service payments, averaging almost $1 billion and more, annually. He maintains that this has been counter-balanced by American and foreign investment in Canada, with the result that at the present time foreigners own approximately 75% of Canadian corporate securities, and have a $25 billion Canadian stake. He calculates that on the basis of a 5% return on this, Canada has to pay out, or re-invest for the account of foreigners, about $1,250 million annually.

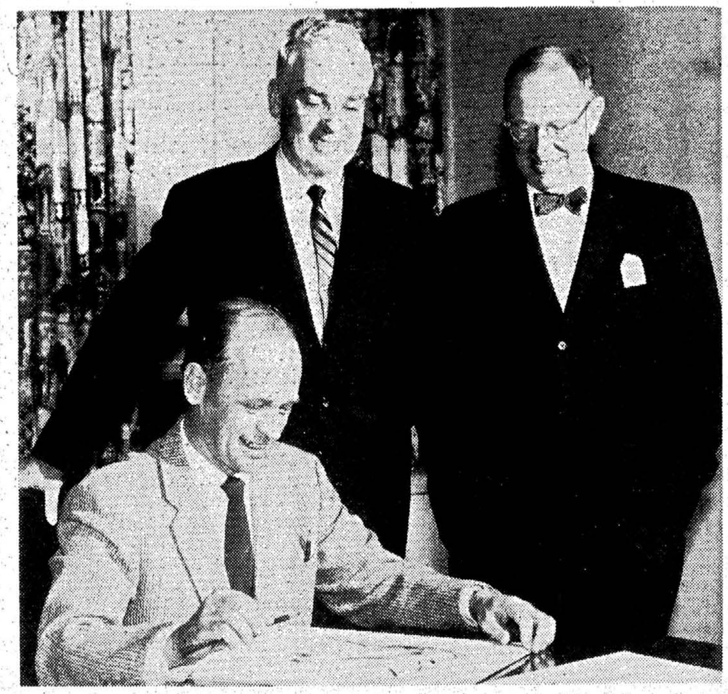
This would not be difficult, states the banker-economist, if Canada had a surplus resulting from tourist expenditures and an excess of merchandise exports over imports. But, he points out, the reverse is true.

Mr. Wasserman insists that the climate for investment in Canada is less favorable than it has been for years, with the likelihood that instead of an investment surplus there may come an investment outgo, as discouraged investors sell and take their money out. He estimates that should this occur, the potential drain that the Canadian exchange market might have to face could easily be in excess of $2 billion a year, and this at a time when Canada's total reserves of foreign exchange and gold amount to only $1.8 billion.

The only sensible way to redress the balance of payments, he concludes, is through permitting the exchange value of the Canadian dollar to sink to a point where exports will be greatly stimulated and imports and overseas tourist expenditures discouraged.

**Such is a significant case for a devaluation!**

## Hornblower, Weeks Honor



"Happy Anniversary for Henry Syverson," nationally-known cartoonist, who has been illustrating Hornblower & Weeks advertisements for the past two years. The 73-year old investment banking firm gave Mr. Syverson a luncheon recently to honor his contribution to its advertising campaign, which was designed to promote the favorable, modern, friendly public image which the firm wants to have with the investing public. Mr. Syverson, a well-known *Saturday Evening Post* cartoonist, is noted for the great expressiveness which he can put into little cartoon figures and situations. He is seated above. Standing are Howard E. Buhse, chairman of the firm's executive committee, (left) and J. T. Walker, Jr., senior partner (right).

# The State of TRADE and INDUSTRY

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

The March *Monthly Review* of the Federal Reserve Bank of New York includes the following assessment of the business outlook:

"Business activity has continued to decline since the turn of the year. The downtrend in some of the major indicators seems to be moderating, and recent business news has had a slightly more mixed tone than in previous months. But it is too early to say that the recession — so far the mildest of those in the postwar period—is bottoming out. The pace of inventory liquidation has slowed at the manufacturing level, but total inventories may decline further, as both manufacturers' and distributors' stocks of finished goods are drawn down. At the same time, the mildness of the current decline in business fixed capital outlays was underscored by the official report in early March that 1961 expenditures are expected to decline only slightly. In some lines declines in consumer spending have recently shown signs of leveling out or turning into advances, and government spending has been exerting a moderate upward thrust which is likely to continue under the stimulus of anti-recessionary programs. Weather conditions have been an important factor in recent months, making the distinction between shifts in timing of sales and genuine improvements in final takings particularly difficult.

"Despite the moderate pace of the general business decline, unemployment has reached near-record levels for the postwar period; in part, this is the result of considerable unemployment even at the start of the current business downturn. In January, unemployment rose a little less than seasonally, but it is disquieting that there was a substantial rise in longer term unemployment and in unemployment of heads of families. This is significant not only from a welfare standpoint, but also because it implies further cuts in family spending which would constitute a restraining force on the general course of business.

### Current Developments

"In assessing the current business situation, a good deal of attention has been focussed on trends in consumer spending—not only because this is the largest sector of final demand in dollar terms but also because such spending has been widely looked to as a cushion for the over-all decline. Retail buying weakened substantially following a brief upturn in October, but the decline in January was not quite so sharp as in the preceding month. Like the October rise, the recent decline in sales resulted mainly from marked fluctuations in the pace of new car deliveries, although sales of other durable goods and of nondurables also moved somewhat lower. New car sales slipped further in early February — in contrast to the usual seasonal advance and despite the special efforts of dealers competing in sales contests — but turned up sharply later in the month. Department store sales, after weakening in January, also strengthened in February.

"The decline in consumers' incomes was undoubtedly a major reason for the slackening in consumer spending. Personal income in January declined for the third consecutive month, although by only $0.6 billion (seasonally adjusted annual rate) compared with the $2.1 billion drop in December. On the other hand, results of the latest surveys conducted by the National Industrial Conference Board for *Newsweek* and by the Census Bureau for the Federal Reserve System do not suggest any marked deterioration in consumers' confidence.

"Residential construction, a sector ultimately dependent on final consumer demand, has also continued to be sluggish despite some increase in the availability of credit. Private nonfarm housing starts (seasonally adjusted) rose slightly in January, but outlays for residential construction continued to decline through February. Various steps have been taken recently to increase further the availability of mortgage credit and reduce its cost, including a cut in the maximum allowance interest rate on FHA mortgages and an epansion of the potential supply of funds to savings and loan associations by the Federal Home Loan Bank System. The extension of Federal Reserve open market operations to longer term issues may also tend to affect the flow of long-term capital in general which, of course, includes the flow of mortgage funds. It remains to be seen whether the underlying demand is strong enough to permit a quickening of the tempo of residential construction as the availability of credit is stepped up.

"Reflecting the decline in spending in various sectors of the economy, the rate of industrial output has continued to slacken. In January, the Federal Reserve's index edged down by another point (seasonally adjusted) to 102% of the 1957 base, following a two-point decline in the preceding month. A rise in steel output was an important factor underlying the smaller rate of decline, and there appears to have been a further gain in steel production in February despite the reduced volume of orders from automobile producers. On the other hand, the cut in automobile production which contributed heavily to the January decline in total output was carried further in February."

### Bank Clearings Rise 20.4% Over Corresponding 1960 Week

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, March 4, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 20.4% above those of the corresponding week last year. Our preliminary totals stand at $31,224,862,183 against $25,924,714,928 for the same week in 1960. At this center there is a gain for the week ending Friday of 26.6%. Our comparative summary for the leading money centers for the week ended March 4 (000s omitted) is as follows:

| | 1961 | 1960 | % |
|---|---|---|---|
| New York | $17,202,319 | $13,583,421 | +26.6 |
| Chicago | 1,463,256 | 1,339,249 | + 9.3 |
| Philadelphia | 1,224,000 | 1,085,000 | +12.8 |
| Boston | 891,522 | 729,825 | +22.2 |

### Steel Industry Shows Some Improvement

The recent undertone of optimism in the steel market has strengthened, *The Iron Age* reports.

Indications of the better market are modest, but do not add up to a full-scale advance. But operations are beginning to inch up, and some mills are looking for an operating rate in the 60s (as a percent of capacity) in the second quarter.

Although the industry officially has scrapped the "percent of capacity" as a way of measuring operations, some mill people continue to use the term internally.

*The Iron Age* lists these signs of improvement:

(1) There is a noticeable pickup in general orders.

(2) Most users are now buying for consumption, indicating that inventory cutbacks are near an end.

(3) The plate and structural market is moving up slowly.

(4) Many small users who have been out of the market for months are coming in with modest orders.

(5) The tinplate market is strengthening.

The magazine adds, however, that the automotive steel orders continue to lag. This will prevent any major upsurge in the next few months while the 1961 model year runs out.

Over-all improvement will be geared to the general level of the economy.

Up to now, the pickup in general business has more than compensated for cutbacks in automotive orders. However, the pickup has not resulted in the same level of improvement for all mills. Mills with a broad base of products are now faring better in the recovery.

In contrast, the news from Detroit continues to be gloomy, the magazine reports. No pickup in steel orders from automakers is

*Continued on page 27*

# TAX-EXEMPT BOND MARKET

*BY DONALD D. MACKEY*

The market for state and municipal bonds has recently been more sensitive to the confusion of financial and economic factors than have other phases of the bond market. The Treasury bond market, while slightly easier, nevertheless, has been relatively steady, largely because of the Federal Reserve continuing policy of monetary ease and its willingness to now directly intercede in the market for longer term maturities. The corporate bond market has been but little affected since new issue volume has been sparse and the calendar continues relatively light.

The Treasury and corporate bond markets may remain steady, and may even improve in the near-term, because of the paternal Federal policy, because of the technical simplicity of both market situations and because the general economy still lags. With glimpses of the incipient recovery only tantalizingly apparent on the distant economic horizon, even this dim image is confused by the cries of "mirage" that derive from high political protagonists.

### Municipal Market Vulnerable

The tax-exempt bond market, however, has been recently more susceptible to the simple factors of the market place than has the larger taxable phase of the market. Extravagant bidding has recently lifted state and municipal bond prices to a new high level, while new issue volume has been slowly but persistently increasing.

Suddenly the inevitable market situation has unfolded in all its coincidental realism: a relatively high price structure, a heavy new issue calendar, a new high volume of overpriced inventory and customers who fully comprehend the untenable dealer situation. Their appetite for certain choice bits of rare inventory under current circumstances begins at down 0.10 basis points and the recently enthusiastic managers are usually quick to hit such a bid or make a close reoffering.

### Buyers Unenthusiastic

This market pattern has been developing for the last few weeks. The municipal market had previously been in such favorable technical balance that dealers persisted in over competing for most new issues in the hope that buyers would just happen to continue their buying interest at progressively higher prices. Gradually the real heavy buyers lost interest —somewhere close to a 4% basis for average quality bonds, generally speaking. These buyers will be back in volume when prices are closer to their necessarily rigid terms — and they are usually a flexible, reasonable group of people, and even accustomed to being under-rated.

The market ease has degenerated into weakness during this past week. The recent successful underwriting and placement of the $100,000,000 New York State Power Authority issue seemingly over encouraged dealers in their bidding for the week's other less sizable issues. Many of these efforts were flops and resulted in price cutting when and where important sales were effected.

In all, a dozen or more general market issues have been unceremoniously passed over by investors since the advent of the large power flotation. Unrealistic pricing has been the simple answer, even should you place part of the answer on a fetching stock market and the important institutional interest in it.

### Recent Awards

Although the new issue calendar was not a heavy one this week, there were three sizable general obligation serial bonds issues up for sale. The largest on March 7, involved $40,000,000 Commonwealth of Puerto Rico (1962-1981) public improvement bonds. Although advertised for public bids, only one bid was made for the issue. The consolidated group was managed jointly by The First National City Bank of New York, The Chase Manhattan Bank, the Chemical Bank New York Trust Co. and Ira Haupt & Co., and included a nation-wide list of dealers and investment bankers. Scaled to yield from 1.75% to 4%, the first six maturities (1962-1967) and the last three maturities (1979-1981) were not publicly reoffered. Upon initial reoffering the entire issue was oversubscribed. The bonds were realistically priced, with the resultant favorable deal for buyer and seller.

Also on Tuesday another large issue came to market. The State of New Jersey, an infrequent borrower, awarded $20,850,000 (1968-1983) water development bonds to the syndicate composed of The First National Bank of Chicago, Morgan Guaranty Trust Co., Drexel & Co., Shields & Co., and other bankers. The bonds were priced to yield from 2.40% to 3.30%, and upon initial reoffering the issue was reported as about half sold. The balance as we go to press is $10,142,000.

The City and County of Denver, Colo. also came into the market on March 7 seeking bids for $15,000,000 (1972-1999) general obligation water bonds. The syndicate headed by the Morgan Guaranty Trust Co. and including Drexel & Co., The Philadelphia National Bank, Bear, Stearns & Co., and many others, was the high bidder for this well regarded investment issue. The bonds were priced to yield from 2.85% to 3.60%. Initial reception has been slow in generating and the present balance is reported as $11,425,000.

Also on Tuesday, the Hempstead, New York Union Free School District No. 31 came to market with $2,940,000 (1962-1990) serial bonds. The issue was awarded to the syndicate headed by the Chemical Bank New York Trust Co., The Chase Manhattan Bank, and Spencer Trask & Co., and others. The bonds were scaled to yield from 1.50% to 3.75% and were about half sold on initial reoffering. At present a balance of $1,375,000 remains in account. Here again pricing was realistically adjusted to a new market level for good grade school district bonds.

The $2,500,000 Wake County, N. C. (1962-1982) school building general obligation bonds were awarded on Tuesday to the syndicate headed by The First National City Bank of New York. The bonds were priced to yield from 1.60% to 3.25%. The last maturity (1982) bore a 1% coupon and was not publicly reoffered. Upon initial reoffering about half of the issue was sold, and at press time a balance of $1,110,000 is reported.

The syndicate headed by The Chase Manhattan Bank was awarded $3,300,000 Fulton County (Atlanta), Ga. (1963-1986) school district bonds. The bonds were priced to yield from 1.60% to 3.55%, and the issue was less than half sold on initial reoffering. The present balance is $1,887,000.

St. Paul, Minn. sold five issues of bonds totaling $10,634,000 as we go to press. The syndicate headed by Bankers Trust Co. and The First National Bank of Chicago was the high bidder for four issues totaling $9,384,000. The winning bid for the $1,250,000 issue was submitted by the group headed by the Harris Trust and Savings Bank and The Chase Manhattan Bank. The Bankers Trust, The First National Bank of Chicago syndicate offered the four issues to yield from 1.60% in 1962 to 3.50% in 1991. After the initial order period, $5,000,000 remained in account. No report is currently available as to the balance in the other group, but initial orders indicate a successful placement of these bonds.

### Calendar Building Up

The scheduled new issue calendar now totals about $500,000,000. This total includes the recently announced California and Massachusetts general obligation issues. It does not include the large Kentucky issue proposed for late March or the Florida and Massachusetts Turnpike issues informally slated for spring or summer flotation.

It would now appear that a healthy pressure of volume will persist for a few months, suggesting a market level that will attract general rather than limited investor appeal. The municipal bond market has been for several weeks dependent largely on bank buying. The general run of offerings is now priced out of investor consideration. The municipal bond industry has been doing half a job to its own detriment. The checks never come from municipalities, who may be gratified in receiving high bids. Usually they are better pleased with healthy distribution.

### Record High Inventory

The *Blue List* total of state and municipal bonds is $483,807,000 as of March 8. This, we are told by the Blue List people, is an all-time high. We congratulate them on their increased business. Their extreme good fortune documents the monumental blundering extant in the industry. Dealer intent in guessing tomorrow's market level far exceeds the basic intent of supplying reasonable investor requirements.

The *Commercial and Financial Chronicle*'s high grade tax-exempt bond yield index now averages 3.241% as against last week's average of 3.204%. This represents a market decline of about five-eighths of a point.

### Yield Indexes Higher

The *Smith, Barney & Co.* Turnpike Bond Index average 3.74% for the week ended March 2, as against 3.70% for the previous week. In the case of this long-term average the decline is over three-quarters of a point. Both of these indexes seem to well represent the general market circumstance for the week. An orderly but easy market seems in immediate prospect.

### MARKET ON REPRESENTATIVE SERIAL ISSUES

| | Rate | Maturity | Bid | Asked |
|---|---|---|---|---|
| California (State) | 3½% | 1978-1980 | 3.70% | 3.55% |
| Connecticut (State) | 3¾% | 1980-1982 | 3.30% | 3.15% |
| New Jersey Highway Auth., Gtd. | 3% | 1978-1980 | 3.25% | 3.10% |
| New York (State) | 3% | 1978-1979 | 3.15% | 3.00% |
| Pennsylvania (State) | 3⅜% | 1974-1975 | 3.00% | 2.90% |
| Vermont (State) | 3⅛% | 1978-1979 | 3.15% | 3.00% |
| New Housing Auth. (N. Y., N. Y.) | 3½% | 1977-1980 | 3.35% | 3.20% |
| Los Angeles, Calif. | 3¾% | 1978-1980 | 3.70% | 3.55% |
| Baltimore, Md. | 3¼% | 1980 | 3.35% | 3.20% |
| Cincinnati, Ohio | 3½% | 1980 | 3.35% | 3.20% |
| New Orleans, La. | 3¼% | 1979 | 3.70% | 3.50% |
| Chicago, Ill. | 3¼% | 1977 | 3.65% | 3.45% |
| New York City, N. Y. | 3% | 1980 | 3.45% | 3.40% |

March 8, 1961 Index—3.246%

# 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.**

### March 9 (Thursday)

| | | | |
|---|---|---|---|
| Bridgewater Twp. Sch. Dist., N. J. | 3,250,000 | 1962-1986 | 8:00 p.m. |
| Key West, Fla. | 1,350,000 | 1963-1991 | 2:00 p.m. |

### March 13 (Monday)

| | | | |
|---|---|---|---|
| Cincinnati City Sch. Dist., Ohio | 4,000,000 | 1962-1985 | 2:00 p.m. |
| Lima, Ohio | 1,400,000 | 1962-1991 | Noon |
| Northern Valley Reg. High School District, New Jersey | 3,069,000 | 1961-1980 | 8:00 p.m. |

### March 14 (Tuesday)

| | | | |
|---|---|---|---|
| Asbury Park, New Jersey | 1,730,000 | 1964-1974 | 8:00 p.m. |
| Danvers, Massachusetts | 1,105,000 | 1962-1981 | 11:00 a.m. |
| Duval County Board of Public Instruction, Fla. | 15,000,000 | 1962-1981 | 11:00 a.m. |
| Hempstead, New York | 7,963,000 | 1962-1986 | 11:00 a.m. |
| High Point, N. C. | 4,000,000 | 1962-1984 | 11:00 a.m. |
| New Britain, Connecticut | 1,745,000 | 1963-1981 | 1:30 p.m. |
| Omaha, Neb. | 3,500,000 | 1963-1976 | 11:00 a.m. |
| Pennsylvania General State Auth. Pennsylvania | 25,000,000 | 1964-1988 | Noon |
| Washoe County, County School District, Nev. | 3,000,000 | 1964-1981 | 8:00 p.m. |

### March 15 (Wednesday)

| | | | |
|---|---|---|---|
| Coeymans, Etc., Central Sch. Dist. No. 2, New York | 2,100,000 | 1962-1980 | 11:00 a.m. |
| Honolulu, Hawaii | 5,649,000 | 1964-1981 | 9:00 a.m. |
| Santa Monica Parking Authority, California | 1,500,000 | 1962-1986 | 10:00 a.m. |
| Sherman, Texas | 1,550,000 | -------- | 2:00 p.m. |
| Texas Women's University, Texas | 1,000,000 | 1964-2001 | 9:00 a.m. |
| Utica Community Sch. Dist., Mich. | 3,980,000 | 1962-1990 | 7:30 p.m. |

### March 16 (Thursday)

| | | | |
|---|---|---|---|
| Lower Cape May Regional School District, New Jersey | 1,600,000 | 1962-1997 | 8:00 p.m. |
| Miami University, Ohio | 4,025,000 | 1961-1998 | 11:00 a.m. |
| Pelham Union Free School District No. 1, New York | 1,600,000 | 1962-1980 | 11:00 a.m. |
| University of California | 2,750,000 | 1961-1988 | 10:00 a.m. |

### March 20 (Monday)

| | | | |
|---|---|---|---|
| Ann Arbor, Mich. | 2,275,000 | 1962-1990 | 3:00 p.m. |
| Cabrillo Joint Union College Dist., California | 4,000,000 | -------- | -------- |
| Columbus, Ohio | 12,810,000 | 1963-1990 | Noon |
| Gateway Union Sch. Dist., Pa. | 1,750,000 | 1962-1991 | 8:00 p.m. |
| St. Louis, Wellston Sch. Dist., Mo. | 1,650,000 | 1962-1981 | 8:00 p.m. |
| Sioux City, Iowa | 2,350,000 | 1967-1980 | 4:00 p.m. |
| Snohomish County, Alderwood Water District, Wash. | 1,000,000 | 1966-1990 | 8:00 p.m. |

### March 21 (Tuesday)

| | | | |
|---|---|---|---|
| Bay County Special Tax School District No. 1, Fla. | 1,900,000 | 1963-1980 | 10:00 a.m. |
| Chatham County, Ga. | 2,000,000 | 1966-1990 | 11:00 a.m. |
| Concord, North Carolina | 1,300,000 | 1963-1982 | 11:00 a.m. |
| Lee County, Special Tax District No. 1, Fla. | 1,500,000 | 1964-1981 | 11:00 a.m. |
| Massachusetts | 62,547,000 | 1962-2010 | Noon |
| Rutherford County North Carolina | 1,800,000 | 1962-1987 | 11:00 a.m. |
| San Meteo Union High School District, Calif. | 3,750,000 | 1962-1981 | 10:00 a.m. |

### March 22 (Wednesday)

| | | | |
|---|---|---|---|
| Toledo-Lucas Co. Port Auth., Ohio | 3,600,000 | 1962-1-984 | Noon |

### March 23 (Thursday)

| | | | |
|---|---|---|---|
| Baraboo, Wisconsin | 1,485,000 | 1962-1981 | 10:00 a.m. |
| Lubbock, Texas | 2,250,000 | 1962-1981 | 2:00 p.m. |
| Palquemines Parish, La. | 4,000,000 | 1966-1981 | 11:00 a.m. |

### March 27 (Monday)

| | | | |
|---|---|---|---|
| Chelan County, Wenatchee School District No. 248, Washington | 1,052,000 | 1963-1981 | 10:00 a.m. |
| Delaware Twp. Sch. Dist., N. J. | 2,175,000 | -------- | -------- |

### March 28 (Tuesday)

| | | | |
|---|---|---|---|
| Allegheny County, Pa. | 6,760,000 | 1962-1991 | 11:00 a.m. |
| Detroit City Sch. Dist., Mich. | 10,000,000 | 1962-1987 | 10:30 a.m. |
| Fridley, Minnesota | 1,460,000 | -------- | 7:30 p.m. |
| Greensboro, North Carolina | 2,6[illegible]0,000 | 1962-1965 | 11:00 a.m. |
| Hillsborough County Special Sch. Tax District No. 1, Fla. | 6,000,000 | 1962-1981 | 2:30 p.m. |
| Kentucky (State of) | 100,000,000 | -------- | -------- |
| Port of Oakland, Calif. | 3,000,000 | 1964-1983 | 10:00 a.m. |
| Washington Sub. San. Dist., Md. | 10,000,000 | 1962-1991 | 11:00 a.m. |
| Wausau, Wisconsin | 1,750,000 | 1963-1982 | 2:00 p.m. |

### March 29 (Wednesday)

| | | | |
|---|---|---|---|
| Dayton, Ohio | 2,800,000 | 1962-1981 | Noon |

### March 30 (Thursday)

| | | | |
|---|---|---|---|
| Louisiana Greater Baton Rouge Port Commission, La. | 2,000,000 | 1962-1978 | 10:30 a.m. |

### April 3 (Monday)

| | | | |
|---|---|---|---|
| Jacksonville Expressway Authority, Fla. | 40,000,000 | 2000 | -------- |

### April 4 (Tuesday)

| | | | |
|---|---|---|---|
| Birmingham, Alabama | 6,500,000 | -------- | -------- |
| Los Angeles Flood Control Dist., Calif. | 15,000,000 | -------- | -------- |

### April 5 (Wednesday)

| | | | |
|---|---|---|---|
| Austin Indep. Sch. Dist., Texas | 2,500,000 | -------- | -------- |
| California | 190,000,000 | -------- | -------- |
| Jefferson County, Kentucky | 1,715,000 | -------- | -------- |

### April 6 (Thursday)

| | | | |
|---|---|---|---|
| Daytona Beach, Fla. | 2,200,000 | -------- | -------- |

# Fridley Named to NASD Dist. Board

Earl G. Fridley, partner, Fridley & Frederking, Houston, was elected to serve a three-year term as a member of the Board of Governors of the National Association of Securities Dealers from District No. 6 which comprises the state of Texas. The NASD is the largest organization of brokers and dealers in the securities business.

Earl G. Fridley

Mr. Fridley is a former Chairman of District Committee No. 6. He also is a past Chairman of the Texas Group of the Investment Bankers Association of America. He is a member of the Lakeside Country Club, Houston Club and Petroleum Club.

# Lehman Acquires E. F. Drew Co.

Lehman Brothers, 1 William St., New York City, members of the New York Stock Exchange, has purchased all of the outstanding common stock of the E. F. Drew & Co., Inc. of New York, it was announced by D. Coape-Arnold, executive Vice-President of Drew. The stock was purchased from the company's founder E. F. Drew, who has retired as a director and chief executive officer. Mr. Coape-Arnold stated that a special stockholders meeting will be held promptly to elect a new board of directors.

A spokesman for Lehman Brothers stated that E. F. Drew & Co., Inc. will continue its nominal operations, and no major changes in the business or in personnel are presently contemplated.

The E. F. Drew & Co., Inc. founded in 1906, is a major factor in the processing and sale of vegetable oils and has diversified chemical operations. Its principal manufacturing facilities are located in Boonton, N. J. and Lindsay, Calif. It also operates subsidiary companies near Toronto, Canada and Sao Paolo, Brazil. The company maintains sales offices in principal American cities and in South America and Europe.

# Foster, Marshall Inc. in Seattle

SEATTLE, Wash. — Foster & Marshall Inc. is being formed effective March 15, with offices in the Norton Building to specialize in the underwriting and distribution of municipal bonds.

The new firm will be under the direction of George W. Marshall and Donald A. Meyer.

## With Wm. E. Pollock

Thomas E. Liebermann, a registered representative, is now associated with Wm. E. Pollock & Co., Inc., 45 Wall Street, New York, dealers in U. S. Government securities, and underwriters and distributors of tax-exempt bonds.

## H. L. Kimball to Admit

Hervey L. Kimball, Jr., has become a general partner in H. L. Kimball & Co., 50 Broad Street, New York City, members of the New York Stock Exchange, and will no longer be a limited partner.

Florence B. McLellan has been admitted to limited partnership.

# DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

**Automotive Industry** — Discussion in March issue of "Investornews" —Francis I. duPont & Co., 1 Wall Street, New York 5, N. Y. In the same issue are reports on **Scott Paper, Weyerhaeuser Company, Aldens Inc.** and **Union Bag Camp Paper.** Also available is a memorandum on **Newmont Mining.**

**Bank Stocks**—Analysis of 1960 year-end reports—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

**Business Conditions in Canada and the United States**—Review—Bank of Montreal, P. O. Box 6002 Montreal 3, Que., Canada.

**Cement Stocks**—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a report on **Peabody Coal.**

**Chicago, New York and Western Banks**—Comparison of five year growth experience of selected banks — Illinois Company, Inc., 231 South La Salle Street, Chicago 4, Ill.

**Domestic Trunk Airlines**—Review with particular reference to **United Air Lines, Eastern Air Lines** and **American Airlines**—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Canadian Oil Shares, Boeing Airplane, Great Atlantic & Pacific Tea Co.** and **Nestle Lemur Co.**

**Florida Bank Guide** — Report—A. C. Allyn and Company, Incorporated, Miami Beach Federal Building, Miami Beach 39, Fla.

**Food Companies** — Analysis — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are analyses of **Botany Industries** and **Maxson Electronics Corp.**

**"Israel Investors Report** — Economic report designed for the foreign investor—Bank Leumi le-Israel, New York Agency, 20 Pine Street, New York 5, N. Y.

**Japanese Market**—Review—Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available are analyses of **Tokyo Shibaura Electric, Fuji Communications Apparatus Manufacturing** and **Mitsubishi Heavy Industries Reorganized Ltd.**

**Japanese Market**—Review —Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Kawasaki Steel Corporation** and **Kansai Electric Power Co., Ltd.**

**Japanese Stock Market** — Survey —Nonaura 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.**

**Meat Packers** — Memorandum—Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a bulletin on stocks selling under 85 which earned over $4 per share in 1960.

**Meat Packers** — Report — A. M. Kidder & Co., 1 Wall Street, New York 5, N. Y. Also available is a report on **John Morrell & Co.**

**New York City Bank Stocks**—Three pages of ratios on 11 New York City banks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**Oil Companies**—Report with particular reference to **Atlantic Refining, Cities Service, Continental Oil, Ohio Oil** and **Skelly Oil**—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is a report on **Consolidated Oil & Gas,** and data on **Bell & Howell Company, Combustion Engineering, Cleveland Electric Illuminating, Great American Insurance,** and **Wilson & Co.**

**Oil Stocks**—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **R. J. Reynolds Tobacco Company.**

**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 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

**Puerto Rico** — Special report on the Commonwealth—Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

**Railroad Bonds** — Comparison of income — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

**Science Companies** — Review—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

**Teaching Machine Industry**—Study—Stearns & Co., 80 Pine St., New York 5, N. Y.

**Teaching Machines** — Discussion with particular reference to **Grolier Inc.** — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

* * *

**Allegheny** — Memorandum—John H. Lewis & Co., 63 Wall St., New York 5, N. Y. Also available is a memorandum on **Mohawk.**

**Amerada** — Data — Penington, Colket & Company, 70 Pine St., New York 5, N. Y. Also available are data on **Storer Broadcasting, Northern Natural Gas, Pepperell Manufacturing,** and **General Contract Finance.**

**American Agricultural Chemical** —Survey — Newburger & Company, 1401 Walnut Street, Philadelphia 2, Pa. Also available are reviews of **Beech Aircraft Corporation, Clark Equipment Co., Eastern Gas & Fuel Associates, J. P. Stevens & Co.** and **Missouri Pacific.**

**American Bosch Arma** — Memorandum — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

**Anheuser Busch**—Memorandum—Sutro & Co., 460 Montgomery St., San Francisco 4, Calif. Also available are memoranda on **Baxter Laboratories** and **Chesebrough Pond's.**

**Anken Chemical & Film**—Data—Cooley & Company, 100 Pearl St., Hartford 4, Conn. Also available are data on **Ets-Hokin & Galvan, Jamesbury Corp., Russ Togs,** and **Eversharp.**

**Avien Inc.** — Analysis — Joseph Walker & Sons, 30 Broad Street, New York 4, N. Y.

**A. J. Bayless Markets Inc.**—Analysis—Hill Richards & Co., Inc., 621 South Spring Street, Los Angeles 14, Calif.

**Baldwin Piano**—Memorandum—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

**Bethlehem Steel** — Analysis—Colby & Company, Inc., 85 State Street, Boston, Mass. Also available is an analysis of **Gardner Denver.**

**Black & Decker Manufacturing Co.**—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available are surveys of **National Tea Company** and **Magnavox Company.**

**Brunswick Corp.** — Memorandum —Wedbush & Co., 157 Santa Barbara Plaza, Los Angeles 8, Calif.

**Central National Bank of Cleveland** — Analysis—McDonald & Company, Union Commerce Bldg., Cleveland 14, Ohio.

**Capital Plastics Co.** — Statistical report—Genesee Valley Securities Co., Inc., Powers Bldg., Rochester 14, N. Y.

**Champlin Oil & Refining**—Report —The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also available is a report on **Revlon.**

**Christiana Securities Co.**—Report —Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**City Commerce Corporation**—Analysis—Paul Nichols Co., Inc., 330 Fifth Avenue, Anchorage, Alaska.

**Consolidated Oil & Gas Inc.**—Bulletin—Schmidt, Sharp, McCabe & Co., Inc., 818 Seventeenth Street, Denver 2, Colo.

**Continental Baking Company**—Analysis—Laird. Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**Continental Boat Corp.**—Analysis —J. B. Coburn Associates, Inc., 55 Broadway, New York 6, N. Y. Also available is an analysis of **Federated Electronics Inc.**

**Crompton & Knowles Corp.**—Analysis — The Kentucky Company, 320 South Fifth Street, Louisville 2, Ky. Also available is an analysis of **General Drive In Corp.**

**First Midwest Small Business Investment Corp.** — Memorandum—Craig-Hallum, Kinnard, Inc., 133 South Seventh Street, Minneapolis 2, Minn.

**Flour Mills of America Inc.**—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

**Fort Worth Steel & Machinery Co.** —Analysis — Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

**Frito Company** — Memorandum—Rauscher, Pierce & Co., Inc., Mercantile Building, Dallas 1, Texas.

**General Atronics Corporation**—Analysis — Gerstley Sunstein & Co., 211 South Broad Street, Philadelphia 7, Pa.

**General Atronics Corp.**—Analysis —Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass. Also available are data on **Union Pacific Railroad, Aetna Finance Co., Armco Steel Corp.,** and **Chart-Pak Inc.**

**Intermountain Gas**—Memorandum —Wm. H. Tegtmeyer & Co., 105 South La Salle Street, Chicago 3, Ill.

**International Telephone & Telegraph** — Memorandum — R. W. Pressprich & Co., 48 Wall Street New York 5, N. Y.

**W. A. Krueger Co.** — Analysis—Berry, Douglas & Fitzhugh, Inc., Stahlman Building, Nashville 3, Tenn.

**Marine View Electronics**—Analysis—T. M. Kirsch Company, 52 Wall Street, New York 5, N. Y.

**Marquette Cement** — Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a review of **National Steel.**

**Miehle Goss Dexter Inc.**—Memorandum—Yarnall, Biddle & Co., 1528 Walnut Street, Philadelphia 9, Pa.

**Monsanto Chemical Company**—Analysis — Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Alden's Inc., Ampex Corp.,** and **Litton Industries.**

**National Tea**—Discussion in current issue of "Investment Letter" —Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also in the same issue are discussions of **San Diego Imperial** and **Teleprompter.**

**Nestle-Le Mur** — Report — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

**Nicholson File** — Report — F. L. Putnam & Company, Inc., 77 Franklin Street, Boston 10, Mass. Also available is a report on **Pearson Corp.** and a bulletin on 1960 tax free dividend income.

**Northrop** — Report — Shields & Company, 44 Wall Street, New York 5, N. Y. Also available are surveys of **International Salt** and **Interstate Engineering.**

**Nu-Line Industries** — Memorandum—Kalman & Company, Inc., Endicott Building, St. Paul 1, Minn.

**Radiation Inc.**—Discussion—Johnson, Lane, Space and Co., Inc., Florida Title Building, Jacksonville 2, Fla. Also available is a discussion of **Southern Gas & Water Co.**

**Realty Equities Corporation**—Analysis—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

**Seeburg** — Memorandum — E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

**Simmons Co.** — Memorandum—Greene & Ladd, Third National Bank Building, Dayton 2, Ohio.

**Southwest Texas Methodist Hospital**—Bulletin—B. C. Ziegler and Company, Security Building, West Bend, Wis. Also available is a bulletin on **A. G. Beth Israel Congregation of Chicago.**

**Speedry Chemical Products**—Data S. D. Fuller & Co., 26 Broadway, New York 4, N. Y.

**Sprague Electric Company**—Management Analysis — American Institute of Management, Inc., 125 East 38th Street, New York 16, N. Y.—$10.00 per copy to non-members.

**Standard Oil of Canada**—Data in current ABC Investment Letter—Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y. Also in the same issue are data on **Sinclair Oil Corp., Cities Service Company Pure Oil Company, Sunray Mid Continent Oil, Union Oil of California** and **Kerr McGee Oil Industries.**

**State Street Bank & Trust Company** — Analysis — First Boston Corporation, 15 Broad Street, New York 5, N. Y.

**Swingline** — Memorandum — Cowen & Co., 45 Wall Street, New York 5, N. Y.

**Underwood Corporation**—Review —Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a review of **General Telephone & Electronics.**

**United Bowling Centers Inc.**—Analysis—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

**United States Life Insurance Company**—Analysis—William Blair & Company, 135 South La Salle St., Chicago 3, Ill.

**Veeder Root**—Analysis—Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

**Western Union**—Report—Blair & Co., Incorporated, 20 Broad St., New York 5, N. Y. Also available is a memorandum on **American Motors.**

**Western Union**—Review—Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available are reviews of **Chain Belt** and **Public Service Electric & Gas.**

## With Calif. Investors

LOS ANGELES, Calif.—Harry A. Copeland has become connected with California Investors, 3932 Wilshire Boulevard, members of the Pacific Coast Stock Exchange. Mr. Copeland was formerly with Bache & Co. in Encino, Calif.

# Electronics Capital Corp.

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

**A swift appraisal of the aims and achievements of this pioneer Small Business Investment Company which has concentrated exclusively on the early phase financing of promising electronic enterprises.**

A new type of financing for young business has emerged within the past two years. It is the Small Business Investment Company, owing its existence to an Act of Congress, designed to provide pools of capital, benefiting from certain significant tax advantages, and available to help deserving young companies get off the ground.

The very first Small Business Investment Company to offer its securities to the public was Electronics Capital Corp. On June 8, 1959 this progressive enterprise offered $18 milllion in common stock through a public underwriting at $10 a share. The stock was eagerly sought and has since advanced in the market to a present price of around $30 a share. So original subscribers have had no occasion to repine over their early entry into this imaginative equity. This underwriting, which has proved so successful and attractive, actually paved the way for public offering of over $120 million in small business company shares in the 20 months since; and a brand-new financial vehicle has thus attained major acceptance and status.

### The Program of Electronics Capital Corp.

What about this pioneer, Electronics Capital Corp.? What does it do and how does it work? Its motivation is best summarized in a recent statement by its President, Mr. C. E. Salik: "There is an enormous investment potential in small and medium sized privately owned electronics companies which are properly oriented and possess management skills to exploit technical and market opportunities." Acting on that philosophy, E. C. C. has screened over 600 individual companies which have sought financing and, from this list, has winnowed its selections down to 15 lively companies (as of Jan. 5, 1961) in which it has actually made investments.

To the applicant company, E. C. C. offers a whole lot more than just the needed capital. It offers managerial guidance, implemented by monthly visits to client companies, and judgment provided not only by its own technically talented Board of Directors but by the highly trained and experienced staff of its investment adviser, Electronics Investment Management Corp. E. C. C., in making its investments, seeks entry into those technical areas offering not only unusual growth and profit potentials, but sufficiently related to each other to permit group undertakings for whole systems. Companies financed must not only have promise but tie in to a comprehensive program for electronic development.

The actual E. C. C. method of financing of approved companies is most interesting. The money is advanced in the form of either convertible debentures or term loans. Of the companies financed so far, all have issued early maturity (5 to 10 years) convertible debentures, bearing 8% interest, which, if or when converted, would give to E. C. C. a substantial stock interest in each subject company, varying from 24% to 70% of the then outstanding common stocks. The term loans bear lower interest rates and carry no conversion privilege.

The attraction of this financing formula is that E. C. C., through interest payments, receives a steady income, and as or when the stock of a particular company shows real earning power and expanded worth, the stock may be publicly offered, and E. C. C. may be in a position to rack up a rewarding capital gain through conversion and sale. As a matter of fact, the whole purpose of E. C. C. is to create a series of capital gains.

The company financed by E. C. C., although asked to pay 8% debenture interest, actually secures its capital at far lower cost than it would through its own public bond or share flotation. This would usually cost about 20% of the funds raised. Further, if the young company did its own public financing it would lack the valuable, sophisticated and continuous managerial guidance E. C. C. is able to supply.

Here then, in E. C. C., is an expanding cluster of companies with ideas and talents. One or two of them may prove to be another Texas Instruments in the making. Certain it is that investors in E. C. C. have had a lot of screening done for them, which should mean that companies finally included in portfolio, should perform far better than the average run of new enterprises. The overall mortality rate among all new business corporations in America is survival of only one out of four at the end of three years.

With its single-minded devotion to the electronics, and its continuous winnowing of the chaff from the wheat, what sorts of companies has E. C. C. actually invested in? We'll run down the list swiftly.

### Client Companies

*Potter Instruments Co., Inc.* is a manufacturer of high precision digital magnetic tape recording instruments. Its sales were around $2 million in 1959 and now run at an annual rate of $6 million. Here E. C. C. has invested $1 million and conversion of its debentures will secure a one-third stock interest.

*General Electrodynamics Corp.* is in the electron optic field and produces about 75% of the Vidicon Television Camera tubes used in the United States. E. C. C. has $400,000 invested here with a conversion potential into 47% of the common.

*Vega Electronics Corp.* was put together by three executives formerly with Ampex Corp. Vega makes small wireless microphones and is at work on analogue data storage systems. E. C. C. stake here is $550,000 leading to ownership of 68% of the common.

*Cain & Co.* is an engineering and market research specialist in electronics. E. C. C. has invested $400,000 here for an ultimate 45% stock interest.

*Electronic Energy Conversion Corp.* has made a major breakthrough in its new method for conversion and control of very large amounts of electric power. Its conversion devices are believed to have a very bright future. The commitment here is $1¼ million producing, on conversion, a 60% stock interest.

*Ultronix, Inc.* is an important producer of electronic components for the Minuteman, Titan and Polaris missiles. E. C. C. has advanced $600,000 in this company leading to an ultimate one-third stock interest.

*Duncan Electronics, Inc.* makes a full line of multiturn precision potentiometers. E. C. C.'s financing, to the tune of $800,000 will produce a 68% stock interest.

Perhaps the "stand-out" company in the E. C. C. portfolio is *Electro Radiation, Inc.* which works in such obscure technologies as electroluminescence and molecular electronics. Its research may lead to exciting new and advanced electronic products. The sum of $645,000, lodged here, converts into 70% of the common.

*Quan-Tech Laboratories, Inc.* makes frequency and noise measurement instruments for the electronics industry. Here the investment is $500,000, converting into 45% of the common.

*Canoga Electronics Corp.* is a leader in the missile and satellite tracking systems, and has designed complete radar systems for the Air Force and the Navy Bureau of Weapons. E. C. C. has its largest single investment here—$1½ million, leading to a 47% stock interest.

*Craig Corporation* is the largest electronic and photographic consumer product distributor in the Western United States. A $1 million investment here will bring to E. C. C. 30% of the common stock.

Smaller investments are in *Communications Control Corp.* (data handling); *Alloyd Electronic Corp.* (electron beam research); *Neff Instrument Corp.* (amplifiers and telemetry components); and *Remanco, Inc.* (microwave test equipment).

We didn't mean to bore you with details, but we did want to catalogue the extent and diversity of E. C. C. penetration into the electronics industry.

The fastest growing major industry in America today is electronics. Tens of thousands of investors have eagerly invested in new enterprises in this field. Some have become the Littons, the High Voltage Engineerings, and the Lorals; others have languished or faded for want of capital, adequate research, and because their particular bright new contribution to the industry had become swiftly obsolete.

Accordingly, investors of today, still attracted to electronics, may find in E. C. C. common a unique combination of broad representation, protective diversification, renowned management, and high potential for capital gain. E. C. C. shares have already been acquired by a number of quite sophisticated institutional investors. The earnings picture has not yet been developed here, but the romance has.

# Josephthal Co. to Admit Partners

Josephthal & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on March 17 will admit Louis R. Malvin and E. Lee Copeland to partnership. Mr. Malvin will acquire a membership in the New York Stock Exchange.

### Form Research Holding

GREAT NECK, N. Y. — Research Holding Corporation has been formed with offices at 65 Maple Drive to engage in a securities business.

# Some Hardheaded Advice To the Paper Industry

By Lawrence K. Gessner,* *Senior Analyst, Smith, Barney & Co., New York City*

**The paper industry is advised to make full use of the research dollar, to concentrate on earnings, and to consider seriously its future heavy capital investment needs. Though credited with an enviable record in such basic factors as raw materials, productive facilities, product, markets, sales and stability, the industry is rebuked for its innate over-expansion tendency and failure to generate a flowing stream of new and improved products. The dictum made is that no industry faced difficulty in obtaining funds when it showed a real and lasting future.**

The paper industry is in a pretty fortunate position with respect to most basic factors. **First**—The raw material position is excellent. Pulp wood today is abundant, self-replenishing and relatively cheap. The forestry programs are paying off and waste paper is in good supply. What other major producing industry is so lucky concerning its raw materials? **Second**—Productive facilities are large, diversified, highly automated and integrated to a good degree. There is a large amount of new and modernized plant and machinery. The industry has spent hundreds of millions of dollars on plant in recent years and turns out quality products with excellent operating efficiency.

**Third**—In regard to another vital ingredient, labor, also in good shape. Labor cost is about average for all industry and serious efforts toward establishing good labor relations over the years have produced a record of extraordinarily few real labor problems.

Yes, I would say that in terms of physical facilities and people, the paper industry's position is excellent.

**Fourth**—The product itself—paper, in whatever form—is a truly unique item. It is inexpensive, it is highly adaptable, and it is generally used and thrown away. The industry does not have the inherent problems of the durable goods producers.

**Fifth**—How about the markets for paper? Here the industry shines again. The increasing per capita consumption of paper superimposed on a rising population is a story in itself. Paper is indeed the most widely used manmade product in the number of places and ways used. It permeates our entire economic existence. What more can you ask?

**Sixth**—Because of all these factors, and others, the industry has experienced an excellent growth in sales. In the last 10 years the annual compound rate of sales growth has been 5.7%. Quite a large number of progressive companies have done even better than this.

### Productive Stability

Also, contrary to popular belief, the paper industry possesses greater productive stability than overall industrial production. While it is susceptible to short-run inventory cycles, as are most major industries, paper production has a consistently better record in recession years than does industrial production as measured by the F. R. B. Index. Beginning with the 1930 depression this phenomenon has been operative in all seven recession periods.

In summary, then, this adds up to a very enviable industry position regarding the really basic factors of raw materials, productive facilities, labor, product, markets, and sales growth and stability. Some of these conditions are a result of keen industry effort, others are fortuitous. Regardless of the origin, however, they should have enabled the industry to demonstrate progress in our **seventh** fundamental—corporate earnings.

But, as Hamlet said, "There's the rub."

### Glow Dimmed by Earnings' Record

The paper industry's earnings record, in my book, is quite poor. There is no sense in providing voluminous statistics. In the last 10 years total net profits for the paper industry have grown at only eight-tenths of 1% annually. Inflation alone during this period was growing at 2.5%. The earnings per share record, a much better test, is worse. Most of the major paper companies are earning less per share today than they were 10 years ago. There has been no growth whatsoever even with the help of inflation. Earnings this year will again be under pressure. It is an indictment in the eyes of outsiders that, despite the combination of the excellent factors I mentioned before and the robust economic conditions of the past 10 or 15 years, little or no general earnings progress is apparent. Another serious concurrent problem is the volatility of earnings. Despite the resistance of production and sales to economic downturn, in 1960 we saw many 25 to 55% declines in per share earnings for some major companies.

Even more telling and baffling to us is that the industry's leaders know and have known for some years the reasons for this paradox. I have gone back in recent weeks over many public pronouncements on the subjects of over-aggressive expansion, pricing problems, lack of product development, etc. At trade association meetings this has been brought out time and time again. I have personally talked with many on these subjects.

Now, I bring no new information to this dilemma. The firms in the industry know the problems and are the only ones who can solve them. Call it statesmanship, enlightened management, industry leadership or whatever. The point is that acknowledgment and identification of the problems are not nearly enough. Results are what count and they count in poor years more than in good one.

Nineteen hundred sixty may be called a moderately poor year. Reading from the high point in 1956 the industry's earnings were down in 1957 and 1958, up in 1959, down in 1960 and 1961 does not appear to be booming. In the face of this, industry capacity since 1956 has gone up yearly by 6.9%, 3.4%, 4.1%, and 3.6%, respectively. This year we will see 4% more and at least an additional 3% in 1962. These figures hide even greater dislocations in certain important grades. Rapidly rising foreign capacity should also be considered.

The overall operating rate is around 90% and consumption is growing 3.5% yearly. How long do we talk in one breath of the problem of over-expansion and in the next announce that **our** company is going to build a new plant?

Yes, I think outsiders, including Wall Street, may be partly to blame because of their glowing portrayals of the future back in 1956-1957. Many said "Expand, the sky's the limit!" Yes, there have been some cut-backs in recent years due to warning statements by industry leaders. But even so, operating rates may be down again this year barring a general economic boom. I know that the vast majority of firms are **individually** aware that the primary job is to build profits, but we must acknowledge that to an important degree the industry trend controls the individual company trend.

So it is with prices. There is abundant evidence that in this field price reductions do not increase consumption. Of course, integration is part of the problem. I know that I'm going to lose X thousand tons of sales. When firms start pushing to replace a lost outlet, price concession usually comes to mind. But we cannot halt a generally good trend—that is, integration—merely because it **may** cause temporary problems. This possibility is a small price to pay for a fundamental improvement.

Paper prices today are still influenced by the mistake of five years ago when prices were established on the premise that 98% operating rates were normal. It seems the industry is now compounding this error by saying that it therefore follows that since it is now operating at 90% it should **cut** prices! This type of statesmanship, if practiced in Washington, D. C., would draw screams from the industry.

Perhaps there is **one** thing I can suggest on this subject. That is that outsiders, and especially the financial people, are now well aware of these problems and this paradox of "Everything's good except profits." We are quite concerned. We pay maximum attention to what makes earnings rise and fall and the paper people should, too.

### Decries Lack of Research

One of the major problem areas in the industry today is the failure 10 years ago and more to recognize the importance of research. The research effort has been small; the results poor. What really big new markets has paper opened up in the last five years, the last 10, the last 15?

The paper industry is proud and rightly so that with better products they took away markets from wood and textiles. But I would hate to see the chemical boys able to make the same boast 10 years from now. They, we should remember, are product developers and innovators of the first order.

You know, the tendency is to say that Paper Company "A" is doing a fine job because it just brought out a new product. This is said even though the potential for that item is small, because everyone **wants** to see and expects to see research results. Actually, we should not be impressed by this one item because we should be seeing a constant stream of new and improved products from many companies. Any recent product development advances may look good because they are so few in number.

I appeal to the industry, as one of the important things it can do, to observe other successful industries. See what research can and, in fact, does do. It, too, should increase its investment in research—it is an investment just like any other because it is for the future.

### Capital Spending

There is one other subject, I would like to comment upon. We know that paper is a business requiring heavy investment. New capacity costs big money. The figures vary by products, but it is not hard to invest $2 for $1 of sales and the outlay is considerably higher if fully integrated raw materials are thrown in.

Many paper companies, or rather most companies, do not today have that kind of money easily available from internal sources. This is not a problem for the present, I know other things are more pressing in the immediate future. But, and this is a large but, these circumstances will not last forever. The industry will need more capital in the years ahead.

Now, you can only go so far with debt capital and many companies are approaching the upward limit of debt ratios. Some form of equity financing may have to be the answer. From a selfish viewpoint, a company will want its stocks to be selling at least at a reasonable capitalization of earnings. The ingredient that gets the stock up there is a good earnings performance. Not assets, not sales, not operating rates, but good earnings and over more than a one- or two-year span. Here, therefore, is another excellent reason for doing a better job on earnings. It will **save** a firm headaches and money in coming years.

I think it is fair to say that most people in the investment community today do not regard the securities of the average paper company as growth stocks. I do not think they are because the strict definition of a growth stock requires a continuity of earnings per share gain on a secular basis. Most paper companies do not fit this requirement and actually cannot be expected to show steady gains. This limitation is inherent in the business.

However, I also say that if the paper industry's stocks are not true growth stocks, then what of it? There are precious few companies of any real size that actually meet the criteria. Remember, the industry ranks with 90 or 95% of the industrial companies. Its operations do fluctuate with the economy and they are subject to inventory cycles. This is the general case, not the exception. If I may be permitted to offer some gratuitous advice I'd say forget the labels that Wall Street or others use and don't bemoan the fact that the industry is not I. B. M. It has an excellent field in which to operate. The basic factors and the potentials are there. I am sure many agree that the earnings record must be improved and that more statesmanship is required to achieve this goal. There is no use worrying unless one does something about it. That's what outsiders are looking for.

### Conclusion

In conclusion, may I briefly emphasize six items which I think will pay big future dividends.

**First**—It has already cut costs because of economic necessity. It knows it can operate successfully without the "fluff." It should keep these costs down even when the cycle turns up so that the same profit margin pressure will be lessened in the coming years.

**Second**—Much more attention, time, effort, and money should be invested in research and product development. In research the key word is **invest**, not spend.

**Third**—When top management people consider expansion, consider that perhaps they aren't that much better or smarter than their competitors. There's no certainty that one can get someone else's market. He's awake too and will fight back.

**Fourth**—Managers must consider capital expenditures mainly in terms of return on the dollar invested. They **must**, therefore, be increasingly tough in estimates in terms of degree of certainty and magnitude of return.

**Fifth**—If integration really improves a firm's situation in an important way, then **seek** to achieve it—if not, forget it.

**Sixth**—And last, if these policies of leadership are followed, the additional money needed will be available when the need for it arises because Wall Street will then be convinced, as I most certainly am, that here is an industry with a real and lasting future.

*An address by Mr. Gessner before the U. S. Pulp Producers Association, New York City, Feb. 20, 1961.

# Changes in Tax Laws Predicted By Seidman & Seidman Partner

**In predicting liberalizing and tightening up changes likely to occur in tax revenue laws, Mr. Grund doubts there will be any revenue loss.**

The Kennedy administration will use the tax law to give a shot in the arm to business by early spring. This was predicted on Saturday, Feb. 25, in an address before the Alumni Conference of the Graduate School of Business Administration of New York University by Benjamin Grund, CPA, a partner of Seidman & Seidman and President of the New York State Society of Certified Public Accountants.

Benjamin Grund

Mr. Grund predicted that the encouragement to business will take the form of either permission to charge off immediately a percentage of the cost of plant expenditures or through the deductibility of higher depreciation than is now permitted.

To make good on any revenue loss, Mr. Grund also predicted that the Administration will ask for the elimination of the 4% dividend credit, the $50 dividend exclusion, and for tax withholdings on dividends and interest.

### Reduced Tax Brackets

Scheduled for action in 1962, the Administration will propose reducing all personal income tax brackets. The reduction may bring rates down to 10 to 65% compared with the present 20 to 91%. There will be no revenue loss because many so-called loopholes and fringe benefits now in the law will be cut down. In addition, increased revenues can come from bringing into the tax fold organizations now tax-exempt. Billions of dollars of income is earned annually by these organizations. For example, trade associations, labor unions, and farmer co-operatives now go virtually scot-free of tax.

Improved enforcement of the laws with the help of electronic equipment will also provide additional revenues.

On the other hand, the inequity of figuring the tax on year-by-year earnings instead of average income will be straightened out to remove the present penalty on people with fluctuating incomes. Ultimately, we can and should end up with a substantially simplified and more equitable tax law.

# 75 Years for W. E. Hutton & Co.

W. E. Hutton & Co., a leading underwriting and brokers firm still directed by descendents of its founder, on March 7 marked its 75th year in the financial world.

With a modest capital of only a few hundred dollars, Civil War veteran W. E. Hutton started the organization in a small Cincinnati office on this date in 1886. Today there are 17 offices in 16 U. S. cities. There is also an office in Rome, and the firm has representatives abroad in Great Britain and on the continent.

Two grandsons, James M. Hutton, Jr. and William E. Hutton are senior partners, and a fourth generation member, James M. Hutton III, is also a partner. The founder, has son James, and grandson, James Jr. each served as President of the Cincinnati Stock Exchange.

In connection with its anniversary, the firm is bringing its out-of-town partners to New York for a two-day business conference. The firm recently increased the size of its 14 Wall Street headquarters.

W. E. Hutton & Co. has greatly expanded its underwriting of corporate, state and municipal securities since its first underwriting venture in 1888. It is a member firm of the New York Stock Exchange and other leading exchanges.

Offices are located in: Cincinnati, Boston, Philadelphia, Baltimore, Dayton, Ohio; Columbus, Ohio; Lexington, Ky.; Easton, Pa.; Hackensack, N. J.; Wayne, N. J.; Hartford, Conn.; Burlington, Vt., and Portland, Lewiston and Biddeford in Maine.

## Form Balanced Inv. Co.

Balanced Investment Company has been formed with offices at 507 Fifth Avenue, New York City, to engage in a securities business. Partners are Jack L. Schaffer and Bertram A. Canter.

## Diversified Fore Plan

Diversified Fore Plan Associates has been formed with offices at 152 West 42nd Street, New York City to engage in a securities business. Partners are Fred Rudinger and Gerard I. Nierenberg.



# Rise in Sterling Balances Requires Realistic Action

*By Paul Einzig*

**Concerned about the extensive sterling balances held in non-sterling countries which pose a threat to more than half of Britain's gold reserves, apart from any decline through the continued adverse trade balance, Dr. Einzig hopes that the recent turn of sterling at a discount will awaken his country to realistic measures. The foreign exchange expert blames overvalued forward sterling, wage and other domestic policies for sterling's precarious condition hidden by the gold-inflow, and warns against palliatives which encourage living in a fool's paradise of imports on borrowed money.**

*LONDON, England*—It has been generally assumed that as a result of the adverse balance of payments during 1960, Britain's short-term liabilities outside the Sterling Area must have increased considerably. Nevertheless, the announcement that the amount of sterling balances held in non-sterling countries increased last year by £604 million came as a shock. There is no reason why this should be so, considering that the monthly balance of payments figures indicated the trend. It is one thing, however, to suppose vaguely that short-term liabilities have increased and quite a different thing to be confronted with the actual figure. This experience shows conclusively the need for more frequent publication of the amounts of foreign sterling balances. It must have been largely because of the inadequate realization of the extent to which Britain has financed the import surplus by means of short-term borrowing that the increase of the gold reserve during 1960 was able to convey an entirely unwarranted feeling of optimism.

In the light of the increase of Britain's short-term liabilities abroad some quarters are now inclined to question the wisdom of the recent decision to return to legal convertibility. It is arguable that it would have been wiser to reserve the right to impose exchange control in case of need. Since, however, the government in its wisdom deemed it advisable to burn its boats there is nothing for it but to strengthen the defense of sterling against any possible deterioration of the position. It is a worrying thought that the withdrawal of the balances that came to London last year from outside the Sterling Area would wipe out more than half of the gold reserve, apart altogether from any decline through the continued adverse trade balance.

### Overvalued Forward Sterling

It was largely under the influence of the increasing gold reserve that the accentuation of the inflationary wages spiral was viewed with complacency. In the absence of the influx of foreign balances the gold reserve would have declined and its material and psychological effect might have gone a long way towards stiffening resistance to irresponsible wage demands. The authorities, by allowing forward sterling to remain overvalued throughout the year, to an extent that made covered inward interest arbitrage profitable, are to blame for this result.

In face of the situation created by the increase of external short-term liabilities a suggestion has been put forward that these liabilities should be consolidated through an external loan on the lines of the big dollar loan of 1946. While immediately after the war there may have been some justification for arranging such transactions, it would be entirely unjustified 16 years after the war. It would simply mean that Britain would be encouraged to continue to live in a fool's paradise and increase her imports on borrowed money.

An alternative suggestion is to correct the balance of payments by means of a devaluation of sterling. But the chances are that it would be followed by a large number of devaluations, so that the balance of payments would not benefit to anything like a full extent. Moreover, in existing circumstances British prices and costs would soon catch up with the change in the external value of sterling, so that the advantage of an undervalued exchange would soon disappear.

### Devaluation Rejected

In answer to a recent Parliamentary question the Chancellor of the Exchequer emphatically rejected the idea of a devaluation of sterling. It is not enough, however, to wish to maintain the parity of sterling. It is necessary to defend it by eliminating the adverse trade balance, before it causes a further deterioration of the position. So far there have been no indications of official action to that end beyond foreshadowing additional export credit facilities.

The trouble is that the necessity for drastic steps does not appear imperative, because, thanks to the increased drawing facilities with the International Monetary Fund, it would be possible to camouflage the effects of the adverse balance and of withdrawals of foreign balances for quite a while. In a memorandum to the Chancellor of the Exchequer the Trade Unions Council, speaking on behalf of the masses of organized labor, exhorted the government to "take a calculated risk" by embarking on an expansionary policy in spite of the adverse balance of payments. This at a time when unemployment is down to 1.7% of the employable population, and when there is a growing scarcity of labor in the overwhelming majority of industries. I am convinced that, had the adverse trade balance been allowed to produce its effect on the gold reserve during 1960, the Trade Union Council would not have dared to have put forward such a suggestion. In existing circumstances to embark on an expansionary policy would not be taking a "calculated risk." The term "risk" implies uncertainty. But expansion would mean a certain deterioration, an act of calculated sabotage of sterling.

### Sterling at a Discount

One of the reasons why unwarranted optimism continued in spite of the adverse balance of payments and the accumulation of external short-term liabilities, was the fact that until recently sterling was quoted at a premium. Its decline to a discount may go some way towards making public opinion realize that conditions are far from satisfactory. The outflow of gold during February following on the non-stop increase of the gold reserve, might help towards the creation of a more realistic atmosphere.

## Philips, Rosen Partners

Philips, Rosen & Appel, 115 Broadway, New York City, members of the New York Stock Exchange, on March 1 admitted James A. Walden to general partnership and Ned D. Frank to limited partnership in the firm.

# Impact of World Economic Events on Trust Investments

By Dr. Marcus Nadler,* *Professor of Finance, Graduate School of Business Administration, New York University, New York City*

**The most pressing problem confronting the new Administration is rectifying the balance of payments deficit. Dr. Nadler also points out that so long as it remains at its present magnitude it will hamper efforts to curb the recessionary forces, to stimulate the economic growth rate, and to maintain the dollar's international standing. Dealing directly with our foreign investments, the author describes the structural economic changes that have occurred to our discomfort, and the two-fold problem of safeguarding our investments abroad and helping the constructive emergence of backward countries. Called for is close cooperation of government, management and labor to create the favorable investment climate to increase productivity, to foster research, and to maximize consumption.**

### Introduction

The last few years have been marked by many far reaching changes throughout the world, which have already had a considerable impact on the economy of the United States. Until a few years ago, this country enjoyed a unique position as the principal source for industrial products, machinery, and equipment. The dollar was practically the sole principal convertible currency of the world and one of the most important sources for international liquidity. There was a pronounced dollar shortage, and it was generally believed that this problem was insoluble.

Marcus Nadler

Developments during the last few years have materially changed this situation. The economies of the western world and of Japan have been rehabilitated. Their productive capacity is today greater than ever before, and the efficiency and productivity of their factories are high and rising. The Soviet Union has emerged as a major industrial country, capable of competing with the free world, not only in certain basic raw materials, but also in complicated machinery and equipment. The dollar shortage has been converted into a dollar surplus, and for the first time in many years there is a shadow on the international standing of the dollar. International competition is keen not only in foreign markets, but is also being felt more and more at home. Colonialism has come to an end and has given rise to a rampant nationalism, not only in the newly independent countries in Asia and Africa, but also in Latin America. At times this nationalism has assumed a strong antiforeign character.

These developments were bound to have an important effect on the economy of the United States. This country today is confronted with a serious balance of payments problem which has to be solved if the international standing of the dollar is to be maintained. The increased competition has had a pronounced effect on the margin of profits of many companies. While the future of American foreign investments in the underdeveloped countries has become somewhat doubtful, the creation of larger economic units in Western Europe is attracting an increasing amount of American capital. Before the impact of these developments on trust investments is considered, it is first necessary to analyze the problems created by them.

### The Balance of Payments

During the past three years, the U. S. has had a deficit in its international payments each year of over $3.5 billon. The consequence has been the accumulation of over $22 billion of American short-term assets owned by foreigners and an outflow of gold of over $5 billion during the past three years. The result has been the disappearance of the complete freedom over fiscal and monetary policies by the government and monetary authorities. From now on, all fiscal and monetary measures taken by the government will be carefully scrutinized abroad. The monetary authorities therefore have to use great care in their decisions in order not to weaken the international standing of the dollar and accelerate the outflow of gold.

It is by now fully recognized at home and abroad that the U. S. cannot continue with a payments deficit of the present magnitude, that measures must be taken to reduce it drastically or to eliminate it entirely. The measures that can be taken to rectify the balance of payments can be either unilateral — i.e., measures taken by the American Government and Congress, irrespective of the effect these measures may have on the rest of the free world; or they can be multilateral—i.e., based on mutually satisfactory cooperation between the United States on the one hand and the rest of the free world on the other. The type of measures that will be taken will have a pronounced effect on the economies of the U. S. and the rest of the free world.

### Incorrect Remedies

The unilateral measures that the U. S. can take to rectify the balance of payments deficit briefly are: (1) A material reduction of U. S. defense expenditures abroad; (2) curtailment of U. S. economic and military aid to foreign countries; (3) the raising of tariffs or the imposition of quotas on imported goods; (4) restrictions on the amount of dollars that American tourists may spend abroad; (5) regulations on the outflow of American capital to foreign countries.

The consequences of the adoption of unilateral measures taken by the U. S. would be serious and far reaching. They would weaken the alliance of the free world. They would set in motion tariff wars leading to a general curtailment of international trade, from which only the Soviet Union and its satellites could benefit. They would hamper the economic growth of underdeveloped countries and strengthen the Communist influence. Such a solution could lead to a return of economic nationalism throughout the free world and the adoption of a policy of political isolationism in the U. S. A Obviously, nobody in this country and in the free world favors such a solution.

The multilateral measures that could be taken embrace an agreement to shift from the shoulders of the U. S. to the other industrial nations of the free world part of the burden of defense and economic aid to underdeveloped countries. Other measures could include reductions in discrimination against dollar imports and an increase in the dollar totals which foreign tourists may spend in the U. S., as well as cooperation among the leading central banks of the free world to coordinate the movement of their short-term rates of interest. A moderate decline in the short-term rates of interest in some of the leading European countries, notably Great Britain, would bring the outflow of short-term funds from this country to other centers to an end. It is also possible that with the boom in Europe slowly coming to an end and a resumption of economic growth in the U. S., there will be a slowing down in the outflow of American direct investments in Western Europe, and there might even ensue an increased flow of foreign capital to the U. S.

So long as the balance of payments deficit of the U. S. is as large as it has been during the past three years, it casts a shadow on the international standing of the dollar and thus influences the measures the Administration may take to bring to an end the recessionary forces and stimulate the economic growth of the country.

The dollar surplus problem is not solely an American but an international problem and can be satisfactorily solved only through mutually satisfactory cooperative measures. These measures will be taken in the not distant future, and the balance of payments problem of the U. S. will be rectified. Until, however, the methods that will be adopted are known, there is a degree of confusion and uncertainty which already has affected the movement of bond and equity prices and clouded the vision of the most astute investment officers.

### International Competition

International competition in recent years has increased materially. The rehabilitation of the productive facilities of industrial nations of Western Europe and of Japan has been completed, and they are greater today than ever before. Their productivity and efficiency have increased considerably and are still rising. Partly, this is due to the fact that a considerable portion of their prewar productive facilities has been destroyed and had to be replaced with modern machinery and equipment, some of it imported from the United States. Thus, the productive facilities of many industrial nations of the free world are in some respects even more modern than those of the U. S.

Mass production methods are being adopted based on the rising demand from home and abroad. This further tends to reduce their costs of production. Management has used great ingenuity in design and in styling, and the quality of the goods is high. European and Japanese manufacturers are aided by the fact that wages in the respective countries are substantially lower than in the U. S.; and with certain notable exceptions, they have enjoyed a high degree of labor tranquility. The rate of economic growth in these countries has been higher than in the U. S., and they are today less dependent on economic changes in this country. All these nations have been able to reduce unemployment drastically, even during periods when unemployment in the U. S. was large.

The competitive position of the Western European nations and of Japan is being further increased by the substantial inflow of American capital in the form of direct investments. It is of interest to note that, whereas American corporations are planning to reduce their expenditures on plant and equipment at home during the present year, their direct investments abroad, notably in Western Europe are rising.

The net effect of these developments is further increased competition in foreign markets. Some products previously exported from the United States are now manufactured by American subsidiaries abroad; and competition at home, particularly in commodities requiring a great deal of labor, is mounting rapidly. Competition from abroad is bound to become even keener as the boom in Europe slows down.

The competitive conditions are further aggravated by the fact that the U. S. today is in the midst of a transition period, when the productive facilities are greater than the present effective demand and when costs of production are still rising. The fact that profit margins in this country are still declining, while the margin of profits in other countries remains high, stimulates direct investments by American companies abroad.

### Increased Competition From the Soviet Union

The economic progress made by the Soviet Union and its satellites in certain fields has been substantial. The Soviet bloc is in a position to compete with the free nations of the world in many commodities, notably raw materials. The impact of Russian competition in oil and its effect on price structure are well known. The Soviet bloc is also in a position to compete in certain types of heavy equipment, as evidenced by the steel mill erected in India and the Great Aswan Dam in Egypt. In competing in foreign markets, it is usually the practice of the Soviet Government to cut prices, to disrupt markets. Furthermore, the Soviet Union is willing to accept surplus commodities in exchange for exports. Such competition, which is increasing, is extremely difficult to overcome. Soviet competition too is bound to have an effect on some industries and corporations in the U. S.

### Direct Investments Abroad

Direct investments of the U. S. in foreign countries have increased rapidly. Toward the end of 1959, they amounted to about $30 billion divided as follows: $10.2 billion in Canada, $8.2 billion in Latin America, $5.3 billion in Europe, $2 billion in the Middle East and Africa, and $3.2 billion in other areas. Direct investments by American corporations in the underdeveloped countries are concentrated primarily in the production of raw materials. In the industrial nations of Western Europe and of Japan, they are concentrated in industrial production. In Canada, the direct investments are both in raw materials and in manufacturing industries. U. S. investments abroad have contributed materially to the development of foreign countries; but not in all of them, particularly in some of the underdeveloped countries, did these investments lead to an increase in the standard of living of the people, nor did the majority of the people benefit from the development of the rich natural resources. Ignorance, poverty, and low living standards prevail in most underdeveloped countries.

Since the end of the war, the underdeveloped countries, particularly the newly established ones, have been swept by a wave of crude nationalism which at times assumed the character of xenophobia. The nationalization of over a billion dollars of American assets in Cuba, the confiscation of the Dutch properties in Indonesia, the nationalization of properties belonging to foreigners in Egypt are typical examples of the form which this crude nationalism has assumed. International investments are based on a strict adherence to international contracts and respect for private property. Even in Canada one can detect a resentment against the too large influx of American capital, and some legislation has been passed to retard this inflow. The danger to American investments arises out of the fact that the same economic and social conditions which brought about the nationalization of American properties in Cuba prevail in a number of other countries.

The effects of these developments are bound to be far reaching. In the first place, American corporations have already become concerned over their investments in some underdeveloped countries, particularly where economic and political conditions are unstable. These countries require substantial amounts of foreign capital and technical know-how; but if the inflow of foreign private capital is curtailed, they will demand increased economic aid from the U. S. Government. Some of these countries will turn to the Soviet Union for economic assistance. Soviet economic aid will lead to a strengthening of Communist influence in the respective countries, which may adversely affect the status of American direct investments in these countries.

The problem before the U. S. is twofold; namely, how to safeguard American investment and how to provide assurance that the development of the natural resources of the underdeveloped countries will benefit the entire population and not only a small group. The problem is the more difficult because in some cases the ruling class is not social and civic-minded and refuses to give up some of its prerogatives. Where the majority of the people are poverty-stricken and there is a serious maldistribution of income and wealth, a revolutionary condition prevails, and experience of the past has proven that international Communism knows how to take advantage of such a situation. Until the ruling classes are willing to do their share to improve the living standards of the majority of their people, there is little that the U. S. Government or private concerns can do to rectify the situation.

**Investments in Western Europe**

While there is a possibility that American direct investments in the underdeveloped countries may decrease, the flow of capital to the industrialized countries of Western Europe is increasing. In part, this reflects the desire to participate in the growing markets resulting from the formation of larger economic units. In part, it is the result of the fact that costs of production, notably labor, are lower, that profit margins are larger, and that the rate of their economic growth has been much more rapid than that in the U. S. A. Thus, the annual average rate of growth during the period 1953-59 in the U. S. was 2.4%; in the Netherlands 4.5%; in Italy 5.4%; in Japan 6.3%; and in West Germany 6.6%. Increased direct investments by American firms in the industrial nations in Western Europe will increase the latter's productive capacity and productivity. They will therefore be in a stronger position to compete with American manufacturers not only in the world's markets but also at home. This, while it will benefit some American companies, will be at the expense of others.

**Impact on Investment Policy**

Whereas until recently the economy of the U. S. was at times strongly influenced by international political events, from now on international economic developments will also have a significant effect on business activity in general and on some industries and companies in particular. As a result of the large direct investments abroad by the leading American companies, they have become international in character, and developments abroad can have an impact on their earnings. It is therefore of importance to the investment officer to ascertain whether the foreign investments of a company are located in countries lacking political stability and suffering from a serious maldistribution of wealth. They should know of the antiforeign sentiment which in periods of trouble can lead to the nationalization of foreign assets and thus at least temporarily to substantial losses: If the foreign investments are in Western Europe, they should ascertain how the formation of larger economic units, the nationalization of industry, and the widening of the domestic market will affect their earning potential.

As conditions are at present, it is not as yet certain what the relationship between the Common Market and the Free Trade Association will be, whether two new economic rivals will arise or whether they will combine. In the first case, international competition will become even keener than at present and may affect adversely the earning power of the subsidiaries abroad. In the latter case, a huge market will be created with rising living standards, leading to mass production and distribution and rising profit margins. The investment officer today must consider the impact of international competition on the earning potential of American companies, particularly those which are large exporters. Similarly, international competition will have an effect on the profit margin of many American concerns which cater exclusively to the domestic consumer.

The impact of Soviet competition on the international price structure of certain commodities will have to be constantly watched. Recent developments have indicated that the U. S. S. R. is able to create disturbances in the international oil market. Similar developments may take place in other commodities, such as paper, aluminum, machine tools, and others. Costs of production or profits are of no importance to the Soviet leaders where political considerations predominate. Furthermore, the Soviet Government often, in exchange for exports, is willing to accept commodities in surplus supply in the respective countries. Once the Soviet Government obtains a foothold in a country, it endeavors to disrupt its trade relations with the free world, thus depriving the latter of old established sources of supply.

Until quite recently, American businessmen in general and investment officers in particular did not concern themselves with the balance of payments of the country. In the last year, however, this has become a serious and pressing problem; and the methods that will be adopted to solve it will have a pronounced effect on the economy of the country. If the U. S. is forced to take unilateral measures, it could lead to restrictions on the movement of international trade and capital. On the other hand, if a mutually satisfactory agreement is reached, it will lead to an increase in international trade. The impact of these potential developments on profit margins is quite evident.

Finally, since the total income of many leading corporations depends at least in part on the earnings of their foreign branches and subsidiaries, the investment officer must familiarize himself with the transfer problem which still confronts various countries. While the return to convertibility of the leading currencies has removed this problem in Western Europe, it still remains unsolved in many underdeveloped countries.

**Conclusion**

(1) The dramatic change from a chronic dollar shortage to a dollar surplus caused by the large balance of payments deficit of the U. S. during the past three years is one of the most important economic events in recent financial history. Rectification of the balance of payments deficit is the most pressing problem confronting the new Administration. Upon its solution depend not only the international standing of the dollar but also the entire economic relations between the U. S. A. and the rest of the free world. While the balance of payments deficit remains at its present magnitude, it imposes limitations on the fiscal and monetary policies of the government and hampers it in its efforts to curb the recessionary forces and to stimulate the rate of economic growth.

(2) The restoration of the production facilities of the industrial nations of Western Europe and Japan, aided by the massive aid of the U. S. Government and the direct investments by American corporations, has brought to an end the unique economic status of the U. S. as practically the sole source for industrial products, notably heavy machinery and equipment. This development plus the emergence of the Soviet Union as an important producer of certain raw materials and manufactured goods has resulted in keen international competition. The fact that the industrial nations abroad, because of war destruction, operate largely with modern machinery, and in addition their costs of production, notably labor, are substantially below those in the U. S., has given them an added competitive advantage over American manufacturers.

(3) The establishment of larger economic units in Western Europe leading to mass production and distribution has attracted large amounts of U. S. capital in the form of direct investments. The prime motives of this flow of capital are the desire of U. S. concerns to participate in these growing markets and to take advantage of the lower labor costs and wider profit margins. This development is bound to affect American exports and to increase foreign competition at home. At the same time, the flagrant violation of property rights of foreigners and breach of international contracts in some underdeveloped countries are apt to have an adverse effect on the flow of American capital to these countries. This will hamper their economic growth and cause them to rely more on foreign government aid. So long as the social and political conditions of many underdeveloped countries remain unchanged, a revolutionary situation prevails which, if not checked, can lead to substantial losses to foreign investors.

(4) The dramatic economic changes of the last few years have had an important effect on the American security markets. The return to convertibility of the leading currencies of the free world, the large balance of payments deficit of the U. S. and the accumulation of over \$20 billion of U. S. short-term assets by foreigners have tied interest rates in the country to those in other countries and have deprived the Reserve authorities of the complete freedom of action which they enjoyed until the end of 1958. Because of the large investments by the leading American corporations abroad, and because of the keen international competition, profit margins of many American corporations are becoming more and more dependent on economic developments abroad. As a result, investment decisions, both as regards bonds and stocks, will have to be based in the future not only on a study of domestic but also international economic conditions.

(5) Modern means of transportation and communications have shrunk time and space. Innovations in production and distribution of one country are soon adopted in others. Larger economic units based on mass production and distribution and efforts to raise living standards are the order of the day. The U. S. as the foremost industrial nation of the world is bound to feel the effects of these developments. The response to this challenge on the part of the U. S. A. should be positive and not negative. What is required today is close cooperation of government, management, and labor to create a favorable investment climate to increase productivity, to foster research, and to provide the consumer at home and abroad with high-quality goods properly priced. The American high standard of living is based on the foundation of high productivity of equipment and labor which made possible the highest wage scale in the world and highly competitive prices of commodities. In this rapidly changing world and with increased competition, this foundation must be strengthened in order to maintain the economic and political status of the U. S. A. The economic changes throughout the world offer the U. S. a challenge and a great opportunity. If American leadership in government, business, and labor responds to this challenge in a courageous manner, the results will be a blessing not only to the U. S. but to the entire free world.

*An address by Dr. Nadler before the Investment Session of the 42nd Mid-Winter trust conference sponsored by the Trust Division of the American Bankers Association, New York City.

## Godvin Partner in Eastman Dillon

Eastman Dillon, Union Securities & Co., 15 Broad St., New York City, members of the New York Stock Exchange, has admitted David L. Godvin to general partnership effective March 1, 1961.

David L. Godvin

Mr. Godvin, 32 years old, who becomes the youngest partner in the firm, will be in charge of the Metropolitan Retail Sales Division, which has offices in New York City (15 Broad Street; 660 Madison Avenue); New Haven, Conn. (250 Church Street) and Paterson, N. J. (35 Church Street).

Mr. Godvin joined the retail sales staff of Eastman Dillon, Union Securities & Co. in 1951. Between 1953 and 1957 he was a member of the Institutional Sales Department. In April 1957 he became Assistant New York Sales Manager and was also placed in charge of the salesman's training program. Mr. Godvin was named New York City Sales Manager in December 1959, a post he held until now.

### Joins Westheimer Staff

(Special to THE FINANCIAL CHRONICLE)

MIDDLETOWN, Ohio—Edward T. Johnson has joined the staff of Westheimer and Company. He was formerly with Gallagher Roach & Co.

# FROM WASHINGTON ...Ahead of the News

*BY CARLISLE BARGERON*

The recent acquisition by Sutro Bros. & Co., New York Stock Exchange and investment banking firm, of Avionics Investing Corporation of Washington, D. C., a small business investment company licensed by the Small Business Administration, indicates an increasing interest in the formation of small business investment companies by securities underwriting firms or, as in the case of Sutro, the acquisition of already licensed companies.

The likelihood of such a trend was indicated months ago by the licensing of Empire Small Business Investment Company, owned jointly by Empire Trust Co. and Carl M. Loeb, Rhoades & Co., also a Stock Exchange firm and underwriting participant.

Investment bankers now see the profit possibilities in owning subsidiary small business investment companies—licensed by the Small Business Administration to provide equity financing and long-term loans to small businesses — as "farm" organizations which would supply capital to growth firms in the small business category and, by the infusion of funds and counselling services, nurse them along to where they might be ready for public financing.

Undoubtedly, many of the small businesses financed would never reach such a stage of growth. But in such cases where they should grow to the level where public financing would be justified, the investment house would have a firm seat as the key underwriter in such financing.

Such a formula would be the equivalent of the operation by the New York Yankees, for example, of a "farm" for producing players of major league calibre. Some of the farm players never reach the big leages but the farm team breaks even while supplying a coming star occasionally.

The formula is not new, but it has an applicable twist for underwriting firms. Without a subsidiary SBIC, an underwriter might logically look to some growth small businesses being brought along by an SBIC as a candidate for public financing. But there would undoubtedly be a competitive scramble among underwriters for such potentialities.

However, if the securities underwriting firm already owned one or more SBICs licensed by the SBA, it would be in the prime position of having a "feeder" system of passing on potential candidates ripe for public financing.

Back of this is the recent change in SBA regulations affecting small businesses eligible for SBIC financing. Earlier, companies whose securities had been traded over-the-counter or on national exchanges were not considered "small" businesses eligible for such financing, and were thus of no concern to either the SBIC or to securities underwriters.

The rules change lifting this restriction, however, opened new vistas for small businesses otherwise eligible and in need of outside financing. It opened new possibilities at the same time, indirectly for the underwriters.

The growth of the Government-sponsored small business investment company program to where it could attract private capital into small business channels has been little short of phenomenal.

The first small business investment company was licensed by the SBA less than two years ago —March 19, 1959, to be exact.

Since then, more than 200 such companies have sprung into being with original capital of nearly $75 million, with an assist of $21 million by SBA to help some of the companies meet minimum capital requirements. After the first few months, some of the SBICs began to seek public capital and succeeded in obtaining another $100 million through the public sale of securities.

This attraction of public funds to licensed companies is an evidence of confidence by the investment community in not only the companies which sought such financing but confidence as well in the future of the small business segment of the nation.

Although a considerable portion of these SBICs have been in actual operation for less than six months, they have made more than 850 financing commitments to 60 different types of businesses.

And the SBICs themselves have ranged from the super-financed down to the $300,000 minimum capital required.

Electronics Capital Corporation of San Diego began the parade with a successful offering of $18 million, followed later by Boston Capital with a $22.5 million issue. Franklin Corporation of New York and Growth Capital of Cleveland have sold offerings of $10 million each; Electro-Science of Texas, $8 million; Techno Fund of Columbus, Ohio, $5.6 million, plus a host of lesser offerings.

The most salutary part of the program is that the infusion of Federal funds to get the program rolling has involved little more than $21 million, all secured by debentures of the licensees, and a seven to one ratio of private and public money against Government funds.

While still only a fledgling in the world of finance, particularly equity financing, the backlog of more than 120 companies awaiting only completion of organizational requirements before being licensed is an indication that this is no flash-in-the-pan program or a temporary panacea to help small businesses.

And this backlog should be evidence, too, that the small business investment company should get a good looking over as a possible adjunct by securities underwriting firms to more rounded financing programs.

## N. Y. Sec. Dealers 35th Ann. Dinner

The New York Security Dealers Association will hold its 35th Annual Dinner April 7 at the Commodore Hotel (dress informal).

## Robertson With Cruttenden Co.

William N. Robertson has been appointed manager of the municipal department in the New York office of Cruttenden, Podesta & Co., 37 Wall Street.

Mr. Robertson was formerly in the municipal department of C. F. Childs & Co., Inc.

### Transcontinental Inv. Corp.

Transcontinental Investing Corporation has been formed with offices at 375 Park Avenue, New York City to engage in a securities business.



# PUBLIC UTILITY SECURITIES

*BY OWEN ELY*

## Pennsylvania Power & Light Company

Pennsylvania Power & Light, formerly in the National Power & Light System, was recapitalized in 1945. The company acquired Pennsylvania Water & Power and Scranton Electric in 1955-56. It supplies electricity to a population of over 2.2 million in Pennsylvania, largely east of the Susquehanna River and north and west of the Philadelphia metropolitan area. Important cities served include Scranton, Allentown, Wilkes-Barre, Harrisburg, Lancaster, Bethlehem and Williamsport.

The service area includes extensive farm, industrial and mining districts. Important contributors to revenues are metal and metal products, anthracite mining, textiles and cement. Of the industrial revenues, metal products and general manufacturing concerns supply about 62%, basic steel and coal 21%, and textile and cement 17%. Since World War II there has been a continuing decline in the anthracite coal industry, but the location of over 200 diversified manufacturing companies in the anthracite district has probably more than offset the decline in coal revenues. The company's operations are most entirely electric, with steam heating contributing about 1%.

Generating capability of the company's plants approximated 1,426,000 kw in 1959, of which 140,000 kw was hydro. The 1959 peak load was 1,374,000 kw. The $46 million 300,000 kw Brunner Island Steam Generating Plant will go into service early in 1961. The new plant should raise the company's overall generating efficiency which has been somewhat on the low side. Thus in 1959 average btu per kwh generated approximated 13,000, the highest for any company in the Middle Atlantic area (Potomac Electric Power's figure was 10,500, Philadelphia Electric's 11,100 and Duquesne Light's 12,600).

The company's record of share earnings in the past five years has not been very impressive as compared with the industry figures. 1960 earnings were $1.73, exactly the same as in the previous year; they compare with $1.48 in 1955 and $1.09 in 1949. Dividends have, however, more than doubled from 60 cents in 1949 to $1.25 currently. The company's major problem in recent years has been the steadily declining rate of return on year-end net plant (as reported by Standard's & Poor's)—from 7.1% in 1954 to 6.4% in 1959 and probably a slightly lower percentage in 1960.

In November 1956 the state Commission allowed the company a 5.76% return on a fair value rate base, which was perhaps equal to about 6.6% on original cost. The Commission has recently been investigating the earnings of utility companies in the state and has ordered several reductions. Pennsylvania Power & Light earnings should be well within the allowable range, it is surmised, but earnings might have to decline somewhat further before the company could appeal for an increase in rates.

The company had some operating difficulties in 1960. One of the two 160,000 kw turbine generators at the Martins Creek plant was taken out of service in September due to a furnace explosion which caused substantial boiler damage, and was returned to service in mid-December. An 87,500 kw unit at the Sunbury plant was also forced out of service in November as the result of an electrical failure, and is expected to return to service in late January. These outages involved repair costs and increased cost of power; during the 12 months ended November 30, increased power costs were $360,000. However, due to use of interconnections to obtain power there were no interruptions to service.

A favorable factor in 1961 earnings will be the completion of the big Brunner Island Plant. However, this is always a mixed blessing because the credit for interest on construction declines immediately, whereas it usually takes a few months before the full benefit of a more efficient plant is fully realized. In 1960 the interest credit amounted to about 16 cents a share or double the 1959 amount.

The company did not do any new financing in 1960 and apparently does not expect to do any in 1961. The last equity financing was a rights offering in January 1959. Presumably the company will continue to rely on bank loans in 1961, but further information may become available when the company's annual report appears in the near future.

Pennsylvania Power & Light has been selling recently around 30 to yield about 4.2%. Based on the 1960 earnings of $1.73, the price-earnings ratio is 17.3, compared with the industry average of 20.4 as of February 21.

The company's earnings picture appears likely to show improvement with any substantial recovery in steel and coal operations. Any future decision to use "flow through" would of course give earnings a fillip. Pennsylvania Power & Light and three other electric utilities, along with Consolidation Coal and Texas Eastern Transmission, are studying the practicability of constructing a pipeline from the West Virginia and Pennsylvania mines to the east coast, to carry coal for use by electric utilities as boiler fuel.

## Herman Lind Opens Own Investment Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Herman L. Lind is now conducting his own investment business from offices

Herman L. Lind

at 610 U. S. National Bank Building under the firm name of Herman L. Lind Investment Securities. Mr. Lind was formerly a partner in Camp & Co.

### Shearson, Hammill Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Robert G. Baker has become connected with Shearson, Hammill & Co., 3224 Wilshire Boulevard. He was formerly with Lester Ryons & Co.

# Our Participation in OECD Worthy of Our Highest Aims

*By Hon. Dean Rusk,* Secretary of State of the United States*

**In making a traverse of charges in opposition to the Organization for Economic Cooperation and Development, successor to the OEEC now undergoing Congressional scrutiny, Mr. Rusk categorically asserts the new Atlantic organization "will have nothing to do with tariff-making." Reviewed are the goals and function of and the need for the OECD which, for example, is said to provide the framework for a simultaneous attack upon the problem of deficit and surplus in member countries' balance of payments.**

After nearly a year of negotiations my colleague, Secretary Dillon, signed on behalf of the United States last Dec. 14, a Convention establishing the Organization for Economic Cooperation and Development, commonly referred to as the OECD. We consider the establishment of the OECD as potentially a historic step in our economic relations with our friends of the Western world.

The initial members of the OECD will be the six countries of the Common Market (France, Germany, Belgium, the Netherlands, Luxembourg, Italy); the Outer Seven (United Kingdom, Sweden, Norway, Denmark, Portugal, Austria, Switzerland); as well as Ireland, Iceland, Greece, Turkey, Spain; and the two North American countries (Canada and the United States).

The OECD will not be wholly new nor will it simply be an extension of the past. Some 13½ years ago my distinguished predecessor, General George C. Marshall, issued a call for mutual cooperation among the war-torn European nations to achieve recovery with the help of the United States. From this call flowed the Marshall Plan and the Organization for European Economic Cooperation. The OEEC thus came into being to administer United States assistance, but it quickly became the forum for European cooperation in a multitude of economic tasks, not the least of which was the reduction of trade barriers.

The basic objectives of the OEEC have been achieved. The industrialized nations of Europe have not merely recovered but have achieved unprecedented economic vigor. At the same time, in fact partly as a consequence, the economies of Europe and North America alike have become increasingly interdependent. It is no longer simply a case of "when the United States sneezes, all of Europe contracts influenza." We are all susceptible to the contagion of economic maladjustments. It was the recognition of this increasing interdependence that the United States took the initiative in proposing the OECD to supersede the OEEC.

### Joint Problem of Deficit and Surplus

One type of maladjustment which has been widely publicized in recent months—is the U. S. balance of payments deficit. This is not merely of concern to us but to our European friends as well. Why is this so? Are they simply being asked to worry about our difficulty because we once worried about theirs? There is more to it than that. What happens to the dollar has a direct effect upon the European economies. The dollar is a world currency and shares with gold and sterling the burden of providing reserves for international trade. The bulk of the dollars held abroad on official account are held by the European countries. Hence they share with us the desire and will to maintain the value of the dollar which this Government is, of course, determined to do.

Furthermore, the U. S. deficit is only one side of the equation. There is also a surplus — the surplus of Germany and other countries—which equally presents long-run problems. It is not sufficient that we, alone, take action to eliminate the U. S. deficit. It is equally important that those countries enjoying substantial surpluses adopt appropriate economic policies. Otherwise we would be merely passing our deficit on to some other country and aggravating its balance of payments problems and would start down the path of shrinking rather than expanding economies.

It is clear, I think, that we must attack both aspects—the deficit and the surplus—of the imbalance in the payments situation. But can the OECD itself take action to cure this problem? Literally, it cannot, of course. It is an organization of independent nations which must make their own decisions. But the OECD provides a framework where these nations can consult about their policies to assure that each country, in making its decisions, is aware of the implications of its policies for other countries. We do not expect or desire all countries to follow the same policies but we want to assure that the policies are, so far as possible, harmonious and help to achieve our common goals.

### OECD's Goals

Some of these goals are stated clearly in the OECD Convention. The first aim of the Organization is the promotion of policies designed to attain and to maintain the highest sustainable rate of economic growth and employment. This includes the need to achieve a rising standard of living. If we are to achieve such a rise and at the same time contribute to world security, our economies must expand at a high rate.

The second goal—which is at the same time the principal new feature of the OECD as compared to the OEEC — is the expansion and improvement of our financial and technical assistance to peoples in other areas of the world. If we are to meet the critical needs of these peoples for the help which can only come from the outside, we must form a partnership with the other free, industrialized countries of the world, many of which are becoming more aware of their responsibilities.

The problem of assisting less developed countries is so urgent that we decided not to wait until the new Organization was established. Accordingly, the Development Assistance Group was established in January 1960, when the negotiations for the OECD were initiated.

### Aiding Backward Lands

The DAG consists of those countries which are providing a substantial amount of bilateral long-term assistance to less developed countries — namely, Belgium, Canada, France, Germany, Italy, the Netherlands, Portugal, the United Kingdom, the United States, Japan and the Commission of the European Economic Communities. The DAG has had three meetings at which information on aid programs has been exchanged and the adequacy of each country's aid programs and of the terms on which it is given have been reviewed. These discussions are gradually beginning to bear fruit. Some of the European countries are increasing their aid programs, are now making budgetary provision for such assistance, and are now making grants as well as loans and providing long-term development credits as well as short-term export credits.

Much remains to be done but an encouraging beginning has been made. Upon the inception of the OECD the DAG will be reconstituted as its Development Assistance Committee.

Finally, the Convention calls for the promotion of policies to expand world trade on a multilateral non-discriminatory basis. I can state unequivocally that the OECD will not assume broad trade functions. It will not cut tariffs. It will not assume any of the functions which had been planned for the Organization for Trade Cooperation. Nor will the OECD in any way infringe upon or control the GATT.

### False Charges

I am informed that the Congress is being bombarded by letters and telegrams opposing approval of the OECD — but on false grounds. I deeply regret that there is apparently an attempt to misinform the public and to engender needless fear. Essentially these communications state that the OECD will take the tariff-making and commercial policy functions away from the Congress and will cost workers their jobs. The facts of course are: The OECD will have nothing to do with tariff-making. It carefully recognizes the constitutional requirements in the United States. It is designed to expand economic activity including U. S. export markets, not to contract it. It is an essential instrument in our efforts to develop the strength and cohesion of the entire free world.

But it will have a Trade Committee with carefully delineated functions.

The first of these functions is the confrontation of general trade policies, an essential adjunct of the review of the economic policies of the members. This will provide the United States with another forum in which to press those countries which still maintain restrictions on our exports particularly our agricultural exports. The second function is primarily designed for the airing of complaints about trade practices which particularly infringe upon other OECD countries. The third deserves a word or two of explanation.

At the end of 1958, after long and intensive negotiations, the project for a European-wide Free Trade Area collapsed. Contrary to the hopes of some European countries, the basis for a resumption of negotiations has not yet been found. If such negotiations were to be resumed, they would take place in the Trade Committee of the OECD. We shall therefore have the opportunity of being present at such negotiations, and thus assuring that any agreements reached fully take account of the trading interests of the United States or other countries.

I have mentioned the major functions of the OECD. There will also be a number of other activities related to these principal aims. What is perhaps more important than specific activities is the spirit of cooperation which has guided the work of the OEEC and which we hope to see carried forward into the OECD. By building upon this spirit we hope to create a forum in which, by consultation and cooperation, we can join with our friends in meeting the growing challenges of the 60s.

Our aim is admittedly ambitious and therefore worthy of our best efforts: to reach new heights of prosperity and to bring a part of the large resources of the West to bear at critical points as the peoples of other continents move to improve their condition. We believe they can do so in freedom; we do not believe that systems acting by compulsion rather than by consent need have a competitive advantage. But it will mean that we must put ourselves in position to act promptly and vigorously to demonstrate that free institutions can combat misery, ignorance and disease as well as maintaining the dignity which, too, is a universal human aspiration.

*From an address by Mr. Rusk before the National Industrial Conference Board, Washington, D. C., Feb. 13, 1961.

# John J. Meyers Co. Opens in N. Y. C.

John J. Meyers & Co. has been formed with offices at 30 Broad Street, New York City, to act as dealers in investment securities. Partners are John J. Meyers, Jr. and William T. Meyers.

John J. Meyers

John J. Meyers, Jr. was formerly manager of the corporate trading department of Gordon Graves & Co., from '38 until the present. He is a member of the Corporate Bond Traders Association of New York and of the Security Traders Association of New York. He served as Secretary of STANY from 1948 through 1958, as Vice-President in 1951 and 1952 and was President in 1953. He was on the board of directors in 1954 and 1955.

William T. Meyers was also formerly with Gordon Graves & Company.

## Customers' Brokers to Meet

The Association of Customers' Brokers will hold an educational meeting on "Trends in Price Earnings Ratios" on March 16 at the New York Society of Security Analysts. Dr. Jules I. Bogen, Professor of Banking & Finance at New York University Graduate School of Business Administration, will be speaker.

## Littleton & Co. Opens

SUITLAND, Md. — Lawrence M. Littleton is engaging in a securities business from offices at 3224 Sycamore Lane under the firm name of Littleton & Co. He was formerly with Allen, McFarland & Co., Inc. and American Diversified Securities, Inc.

# BANK AND INSURANCE STOCKS

*BY LEO I. BURRINGTON*

## This Week — Insurance Stocks

*SURVEY OF TRENDS FOR LIFE INSURANCE STOCKS*

During the past several months financial stocks — bank, finance company, fire-casualty — have registered strong gains in the market. More recently and after a short-lived sharp advance during August, 1960, life insurance stocks have shown considerable strength. Probably this upward trend has been due basically to the "servicing of money" rather than dealing with inventory maladjustments characteristic of nonfinancial industries. Life insurance stocks, for example, are less affected by cyclical forces of the economy as can be noted by the ever-increasing growth of life company resources. Of course a favorable outlook for life insurance underwriting is not at all unusual due to the fundamental growth features characterizing the industry.

The volume of life insurance coverage in force has more than doubled each decade since the turn of the century. Although some slowdown for the savings trend through life insurance has been detected in recent years, one must not overlook the more expansive coverages such as fast growing group term insurance which does not involve the savings factor in the established sense. Future as well as present profitability in life operations is based on such factors as the growing social consciousness of security, continuing improvements in mortality experience, ever broadening investment activity, and the attaining of higher standards of living. Growth is especially stimulated by the greater awareness of need for protection from insecurity as the economy continues its ever increasing and more complex network of interdependence. This situation gives rise to the growing need for more insurance coverage of existing and new forms of insurable risks.

Personal income is expected to be well maintained during 1961 and a high level of such income provides a profitable climate for the sale of life insurance. Life premiums paid to disposable personal income presently approximates only 4%. During the past decade the number of companies entering the life field has increased dramatically with a total of 1,450 companies now servicing life insurance needs. The attractions encouraging this trend include larger family units, more disposable income, higher standards of living, better distribution methods, the under insurance status of most people and the potential of tapping that 35% of the United States population which does not hold life company insurance protection.

For the life insurance industry, 1961 is expected to be a reasonably satisfactory year. While only a nominal increase in production of the more profitable whole life ordinary insurance was made in 1960, it is well to remember the dominance in the industry of mutual companies. Thus industry figures can be misleading as to the progress of the stock life companies. New records are expected for 1961. Total assets of United States life companies at the end of 1960 reached a record total of about $119.5 billion, up from $113.7 billion for 1959. Although new life insurance sales exceeded $73 billion during 1960, a gain of under 3%, total life insurance in force rose about 8% from $542.1 billion in 1959 to $585 billion. The average rate of return earned by life companies continued upward, from 3.95% to 4.12% for 1960. This return can be expected to continue upward as increments of new investment replace older holdings bearing lower yields.

New highs can continue to be expected in assets, premium income, insurance in force and in operating earnings. Earnings gains in 1960 over 1959 were achieved by many leading companies, aided by the impact of the retroactive feature of the Federal Tax Bill in 1959. Most companies have successfully adjusted their policies to reduce the penalty from increased tax rates. These moves are gradually erasing the confusion over the new tax law as "threatening the industry."

During the years ahead cost controls are expected to remain very effective, aided by more automation facilities and the expected decline of physical examinations and other initial expenses for insurance coverage. Stockholders also enjoy peace of mind due to the careful auditing practices by regulatory authorities with insurance companies.

A trend toward more mergers between life and property and casualty companies and between mutual funds-life and property and casualty companies can be expected due to the convenience and profitability centered around one-package selling. More life companies are expected to ready themselves for such moves. For example, *Lincoln National Life* recently announced such a step. Already in 1961 at least two concerns have announced expansion by combining the sales of life insurance and mutual funds.

Exceptionally high earning power characterizes life insurance companies due to their relatively small capital structures to total assets. Such earning power not only enchances stockholders equity but ultimately the stockholder is also rewarded through the distribution of stock rights or stock dividends. Renewed interest by investors in life issues possibly has been due in part by recent declarations of sizable stock dividends as well as many increases in cash dividends. Low yields will continue to characterize life issues since companies must continually plow-back more money for required legal reserves in order to enchance growth.

The characteristic of generous stock dividends already has been emphasized in 1961 with such recent declarations as a 100% stock dividend by *Connecticut General Life Insurance Company;* a 2 for 1 split and a 25% stock dividend by *Lincoln National Life Insurance Company;* a 50% stock dividend by *Continental Assurance Company;* a 1 for 5 stock distribution by *U. S. Life Insurance Company;* a 33⅓% stock dividend by *Liberty National Life Insurance Company;* a 4% stock dividend by *Life Insurance Company of Virginia;* 10% stock dividends each by *North American* and *Philadelphia Life;* and a 5% stock dividend by *Quaker City Life.*

Earning power among the many marketable life stocks, of course, varies considerably. Such differences can best be detected through individual company analysis. For investors who do not have easy access to analytical information, representation through a mutual fund which emphasizes insurance stocks may serve as an alternative.





## Now Leftwich, Ross & Crisler

MEMPHIS, Tenn.—The firm name of Leftwich & Ross, Union Planters National Bank Building, has been changed to Leftwich, Ross & Crisler. Principals are William Groom Leftwich and J. A. Crisler 3rd.

## Whitman Secs. Co. in Memphis

MEMPHIS, Tenn. — A. L. Whitman has formed Whitman Securities Co. with offices in the Sterick Building to engage in a securities business. Mr. Whitman was formerly Vice-President of James N. Reddoch & Co.

## Indianapolis Bond Club Elects

INDIANAPOLIS, Ind.—The Indianapolis Bond Club has elected Noble L. Biddinger, City Securities Corp., President, succeeding Meredith Nicholson III, American Fletcher National Bank.

Other officers named were William C. Griffith, Jr., Merrill Lynch, Pierce, Fenner & Smith Inc., Vice-President; and Robert J. Myers, Raffensperger, Hughes & Co., Inc., Secretary-Treasurer.

## Manwaring With E. MacCormack

LOS ANGELES, Calif.—Joseph R. Manwaring has become associated with Evans MacCormack & Co., 453 South Spring St., members of the Pacific Coast Stock Exchange. Mr. Manwaring was formerly with Dempsey-Tegeler & Co. and prior thereto with First Boston Corp.

### Named by Funds

Edmund G. Young has been elected an Assistant Vice-President of Investors Management Co., Inc., investment advisor to Fundamental Investors, Inc.; Diversified Investment Fund, Inc. and Diversified Growth Stock Fund, Inc., Westminster at Parker. Mr. Young was formerly Assistant Secretary of the firm and a security analyst specializing in the electronics industry. He has been with the company since 1951.

### R. C. Hill Director

Robert C. Hill, former United States Ambassador to Mexico, was elected a Director of Investors Diversified Services, Inc. at a meeting of the Board of Directors, it was announced by W. Grady Clark, President. Mr. Hill is also a Director of the United Fruit Company.

Mr. Hill served as Ambassador to Costa Rica in 1953 and Ambassador to El Salvador in 1954. He was then named special Assistant to the Under Secretary of State for Mutual Security Affairs and later Assistant Secretary of State for Congressional Relations. He was appointed Ambassador to Mexico in 1957 and resigned late last year.

He was elected to the General Court (state legislature) of New Hampshire as a representative from the Littleton area in November, 1960.

### Sutro Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Gordon G. Glidden has been added to the staff of Sutro & Co., Van Nuys Building. He was formerly with Hayden, Stone & Co.

### Hayden, Stone Appoints Duva in Chicago

CHICAGO, Ill.—Hayden, Stone & Co. has announced the appointment of Samuel J. Duva as Manager Retail Securities Sales for their Chicago office, 141 West Jackson Boulevard. Mr. Duva, a member of the Bond Club of Chicago and Street Club, was associated the past four years with Reynolds & Co., and prior to that was employed by Merrill Lynch, Pierce, Fenner & Smith Inc.

### Martin Kooper Opens

Martin Kooper is conducting a securities business from offices at 666 Fifth Avenue, New York City.

### Podesta Named Director

Robert A. Podesta has been elected a Director and member of the Executive Committee of Texota Oil Company, George H. Rainey, President, has announced.

Mr. Podesta is managing partner of the Chicago-based investment firm of Cruttenden, Podesta & Co.

### New Calif. Investors Branch

SAN DIEGO, Calif. — California Investors has opened a branch office in the Bank of America Building, under the direction of Henry I. Cohen.

### P. & S. Tabulating Div. Elects Officers

The following officers of the Purchases & Sales-Tabulating Division of Wall Street, Association of Stock Exchange Firms, have been elected for the term of one year:

President: John E. Jacobs, Eastman Dillon, Union Securities & Co.

1st Vice-President: Gerald Pyper, Shields & Company.

2nd Vice-President: Nat Faragasso, Francis I. du Pont & Co.

Treasurer: Dominick L. Nardone, L. F. Rothschild & Co.

Assistant Treasurer: John Scheu, Dominick & Dominick.

Secretary: Robert Gerber Troster, Singer & Co.

Assistant Secretary: Howard Emen, National Association of Securities Dealers.

Financial Secretary: John McCance, Bear, Stearns & Co.

### Bache & Co. Appoints Personnel Director

The appointment of Richard C. Campbell as Director of Personnel has been announced by Harold L. Bache, Managing Partner of Bache & Co., 36 Wall Street, New York City, members of the New York Stock Exchange.

Mr. Campbell, who has been director of training, is now in charge of all personnel activities of the firm, including training.

Prior to joining Bache & Co. in July, 1959, Mr. Campbell was associated with McKinsey & Co., management consultants, and The Cleveland Electric Illuminating Co.

### Loewi Officer

WAUWATOSA, Wis.—On March 2, Thane O. Malmstone, Jr., will become an Assistant Vice-President of Loewi & Co. Inc. Mr. Malmstone is manager of the firm's Wauwatosa office, 2500 108th Street.

### With California Investors

PASADENA, Calif. — Darvin M. Curtis has been added to the staff of California Investors, 690 Green Street. He was formerly with Lloyd Arnold & Co.

### Two With Calif. Inv.

LONG BEACH, Calif.—J. Gerard LaVoie and and Walter C. Grist have become affiliated with California Investors, 4376 Atlantic Avenue.

# THE MARKET . . . AND YOU

*BY WALLACE STREETE*

Industrial stocks had what to all intents and purposes was only their second correction of the year this week after the industrial average had worked to its best posting since January 1960 even without the help of any demand in the rail section.

The relentless push to higher prices minimized the correction and helped a handful of special situations buck the trend even when selling was around elsewhere. For a change, after a somewhat protracted siesta the drugs were included in the favored items, notably Plough and Lehn & Fink.

Foods continued in demand that carried Great A. & P. to a peak and swept Quaker Oats, a normally mundane item, to a similar top in a rush. Electronics were active and scored some of the wider gains when the going was good but were among the more obvious casualties as profit-taking moved in.

### Pacesetting by Bowling Issues

The bowling items, favorites through last year's selling, were also the pacesetters when the list firmed and selling targets later, but they proved to be resilient and snapped back readily after inroads were made in them by profit-taking.

It all added up to a picture of a market that was definitely headed up, the sole dispute being where the industrial average would climb before the excitement died down.

### Surrender by the Commentators

Few of the market commentators were willing to argue with the action of the market and predictions of the eventual high ran all the way from 725 to 1,000 for the industrial average which had only reached 685 more than a year ago for the highest reading in history.

There was considerable debate over where the persistent demand came from, and the reason for it. Majority opinion was that the demand was largely from individuals and was based on inflation fears although the odd-lot figures, which are supposed to mirror the taste of the public, were virtually meaningless.

The odd-lot statistics showing the buying and selling in less than round-lot, or 100 share, units was a hodge-podge with selling predominating for a couple of sessions, followed by a sudden switch to the buying side for an equal interval and then reversing direction again. The one evident conclusion apparent in these statistics was that even the odd-lot trading was at an abnormally high level no matter which side the weight of the orders fell on. Where last year a day's buying or selling that reached half a million shares was high, the activity currently is ticking off at a two-thirds of a million share level.

### Technical Conclusions

Technicians struggled with their charts and figures and could come up with only minor signs that the advance was getting out of hand, the chief one being the stubborn refusal of the rail section to join with the industrials on strength, whereas classic market theory calls for confirming action by both groups before any important progress could be achieved. The detractors were many and the familiar line of logic was that rails no longer occupy the important place in the economy they did before trucks and planes started moving a good part of the merchandise that has to flow around the country to keep the economy going. Nevertheless, it was a minor trouble point.

Of even more importance will be the action of the industrial average if it gets back to its previous top which, at the high point of the rally so far, was only a little more than 10 points away.

So far the volume had tended to dry up on reactions, which is a favorable sign. The markets are the broadest in history, well above 1,300 issues showing for a day's trading and new highs have been running heavy with a long string of sessions when no issue posted a new low for 1960-'61.

### The Trouble Spots

The trouble spots in the list recently, such as the electrics, were getting a careful going over and in most cases the conclusion reached was that the basic value was not impaired despite the conviction of a couple of dozen competitors for violation of the anti-trust laws.

General Electric as the largest maker of electrical equipment, with one of the largest families of stockholders, was canvassed thoroughly. Not only individuals but the mammoth funds also are deeply committed to GE. The reasoned conclusion of most of the analysts who scan GE is that its prestige has been tarnished, but that the fanciful estimates of the cost of damage suits will be scaled down drastically in time and GE meanwhile will continue to grow. The net effect of the conviction was mostly to drop the price of the stock some 40% to where it is a better bargain for those not already committed to holdings in it.

### Expanding Retailer

There was some interest showing in store chains, but little of it centered on McCrory Corp. despite the fact that it is one of the more acquisitive chains and in the face of verification that it is holder of an important interest in Lerner Stores, presumably as a prelude to a merger. The shares of McCrory have been slow-moving ones for the last several years, holding in a three-point range through all of 1958, half a dozen points in 1959 and only recently stretching the 1960-61 range to half a dozen points by showing mild strength.

Since 1959, when it acquired McLellan Stores, its series of acquisitions has come fast and furiously. It picked up an auto supply chain, National Shirt Shops, increased its holdings of H. L. Green and now is interested in Lerner, which, if absorbed, would make it the third largest retail store chain in the country. It would have a total of 1,358 outlets, including the 305 Lerner stores.

### Some Rebounders

In the field of issues that could benefit importantly from a rebound in the business cycle, Owens-Corning Fiberglas is an interesting equity because it was mostly in the profit-pinch that its showing last year was disappointing. Despite the recession its sales worked higher, even though its sales to boat builders were disappointing as that business fell off considerably. With the spurs being given to the construction field, its future looks bright since it is an important supplier of building materials.

Johns-Manville is another building materials firm that is favorably regarded both for its position where it could benefit from an upturn in construction, and also for some of its newer activities such as its entrance in the fibrous glass field.

Brunswick Corp. showed good recuperative power in failing markets after many months of popularity over its bowling equipment that had carried the shares to a point where they weren't exactly cheap. Part of the new interest in Brunswick is the government's plans to spur school building. Since school equipment currently accounts for only around 6% of Brunswick's sales, the prospect is that this is the segment of its business where the new expansion could show up importantly. The pinspotter activities of the company were the big boost to its sales in recent years and this activity shows no signs of letting up. In fact, its pinspotter backlog as it entered this year was a quarter higher than a year ago. Any increase in its school equipment business would add just that much more to its potential.

*[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.]*

## The Widows Are Well-Protected

A balanced mutual fund, according to Calvin Bullock, is designed primarily for the widows and retired people. A "balanced fund" always should hold substantial amounts of bonds and preferred stocks and, for that reason, is not expected to be among the spectacular performers.

Yet, a quick look at the Wiesenberger 1960 comparison list is quite startling. Bullock's very conservative Nation-Wide Securities ranks seventh out of 132 funds whose records for 1960 are given in the tabulation. A look at its list of investments is quite revealing. The holdings are all of the type that an institutional investor would buy. Yet, it ranks up with some of the funds that have gone all-out for the glamorous growth and speculative stocks. Indeed, the widows holding Nation-Wide Securities have reason to be grateful.

## Reid & Grentner Open

CORAL GABLES, Fla.—Warren G. Reid and John G. Grentner have formed a partnership with offices at 63 Merrick Way to engage in the securities business.

## Nathan Seymour Co. Form

Nathan Seymour & Co., Inc. is now engaging in a securities business from offices at 150 Broadway, New York City. Nathan Buchsbaum is a principal.

# Advertising's Potential In Curing Unemployment

*By Roger W. Babson*

**Dean of financial writers considers advertising our best measure against unemployment and criticizes its correlative cyclical behavior. If necessary, he advises, we should permit some subsidization so that advertising expenditures are contracyclical.**

Each week some new proposition comes from the White House promising to reduce unemployment. These vary all the way from paying veterans' insurance money in advance of dates due to increasing the minimum wage. To my mind none of them are of any real value. The first suggestion would put more money into circulation immediately, but would reduce the amount available later. As to increasing the minimum wage, this will cause merchants and others to reduce the number of their employees so that the higher wage will not cost them more in total. This will result in increasing unemployment without increasing total purchasing power.

### Purchasing Power vs. Unemployment

When discussing these two factors, it is much like asking which came first—the hen or the egg? Each is dependent on the other; but in most cases increased purchasing must come before increased employment, and I think President Kennedy believes this in his heart. Hence, the soundest, cheapest, and quickest method of increasing purchasing is to increase advertising.

Advertising appropriations are now "upside down." Merchants advertise most when they have plenty of money, which usually means when business is good and there is full employment. Then, when business slows up and unemployment develops, these merchants reduce their advertising. This is why I say that the present advertising policy is "cockeyed." It may help the temporary profits of the merchant, but it is not for the nation's best interests; it is not economically sound. This especially applies to newspaper advertising, although it also may include radio, TV, and mail-order advertising. Furthermore, Congress would surely be increasing unemployment by increasing postal rates.

### Government Should Sometimes Subsidize Advertising

Think what would happen to employment if all advertising should suddenly be stopped? Such an action would create a national panic with over half the people unemployed. Certainly the government would be as justified in subsidizing merchants selling certain products as in subsidizing farmers living in certain states. These merchants are doing as much for the nation as are the farmers. In fact, the farmers are dependent upon the merchants to sell their farm products. No one of us goes to the farmer direct to buy wheat, corn, potatoes, tobacco, barley, or any product of the farm.

I would advise against permitting the government to change advertising rates; but suggest allowing certain temporary payments to newspapers and broadcasters for increasing the advertising space or time devoted to promoting the sale of products which require much labor — the percent of subsidy depending upon the amount of unemployment involved.

Some of President Kennedy's suggestions will help the unemployment situation in a small way, but his ideas will not come near providing "full employment." Only advertising—natural or subsidized — will accomplish this. Subsidizing advertising to reduce unemployment is something which I would like personally to help with. Secretary of Defense McNamara should immediately operate a new division to study this problem which I am today urging in this column.

## Friedman Opens Office

Emanuel Friedman is conducting a securities business from offices at 952 Broadway, New York City.

## GDI Plans Distributors

G. D. I. Plans Distributors Inc. is engaging in a securities business from offices at 270 Park Avenue, New York City.

## William Pruslin Opens

NEWBURGH, N. Y. — William Pruslin is engaging in a securities business from offices at Queen Street, M. D. 14.

# NEWS ABOUT BANKS AND BANKERS

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

William B. Bateman and John A. Pell have been appointed Vice-Presidents of **The Chase Manhattan Bank, New York.** Both are in the United States department, the bank's national territorial organization.

Mr. Bateman is in the petroleum division. Joining the bank in 1947, he was appointed an Assistant Treasurer in 1950 and was advanced to Assistant Vice-President in 1953.

Mr. Pell is in the New York and New Jersey district of the U. S. department. He joined the bank in 1948, was appointed an Assistant Treasurer in 1954 and was promoted to Assistant Vice-President in 1957.

Six Assistant Vice-Presidents in the U. S. department were also named. They include Roy T. Abbott Jr., Irwin W. Bodner, James H. Carey, Wayne G. Hansen, J. Howard McGloon, and Alden K. Small.

Robert O. Blomquist was named Assistant Treasurer in the aviation division, and Robert F. Calman and Robert K. Herr were named Assistant Treasurers in the petroleum division.

* * *

**First National City Bank, New York,** opened its 79th overseas branch March 6 in the Pettirossi area of Asuncion, Paraguay. The Pettirossi branch has been established as an extension of the bank's present Asuncion services and facilities.

The main Asuncion branch of First National City was opened on Sept. 22, 1958.

* * *

Robert M. Franke, Vice-President, recently retired after 48 years service with **First National City Bank, New York.** To mark the occasion, the Brazilian Consul General, Minister Dora Vasconcellos, gave a reception in his honor at her New York home.

For many years Mr. Franke served in Brazil and in recent years has supervised 24 South American branches from the bank's Head Office on Wall Street.

* * *

Charles C. Lehing has been elected a Vice-President of **Chemical Bank New York Trust Company, New York,** it was announced today by Chairman Harold H. Helm. Mr. Lehing is with the bank's Metropolitan Division Headquarters.

He joined the bank in 1940, rose through the ranks and was elected an Assistant Vice-President in 1953.

* * *

**The United States Trust Company of New York** elevated Robert R. Maller to Assistant Vice-President according to an announcement by Hoyt Ammidon, President.

* * *

A merger certificate has been issued approving and making effective Feb. 17 the merger of the **First National Bank of Amsterdam, Amsterdam, New York,** with common stock of $300,000 into the **National Commercial Bank and Trust Company of Albany, Albany, New York,** with common stock of $6,282,870. The merger was effected under the title of the National Commercial Bank and Trust Company of Albany, with capital stock of $6,597,870, divided into 879,716 shares of common stock of the par value of $7.50 each.

* * *

The Directors of the **State Street Bank and Trust Company, Boston, Mass.** and the Directors of the **Rockland-Atlas National Bank of Boston, Mass.** have voted to recommend to their shareholders the consolidation of the two institutions. Special meeting of shareholders of both banks will be held on March 28 to act upon this recommendation. In addition, the proposed consolidation will be subject to the approval of state and Federal regulatory authorities.

The plan provides that holders of present State Street Bank shares will receive two shares for each one held, while holders of Rockland-Atlas shares will receive one and three-eighths shares for each one held.

* * *

**The National State Bank of Newark, Newark, New Jersey,** has increased its common capital stock from $7,500,000 to $8,000,000 by the sale of new stock, effective Feb. 20. (Number of shares outstanding 640,000 shares, par value $12.50.)

* * *

John Moran has been named Assistant Treasurer of **Industrial Trust Co. of Philadelphia, Pa.**

Mr. Moran was associated with **Fidelity Philadelphia Trust Co.** from 1953 to 1961.

A ninth office is now under construction at Cottman and Large Streets.

* * *

Promotion of Louis F. Richter to manager of its bank in Swarthmore was announced by **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.**

* * *

**The National Bank of Fairfax, Fairfax, Va.,** has increased its common capital stock from $400,000 to $450,000 by a stock dividend, and from $450,000 to $500,000 by the sale of new stock, effective Feb. 21. (Number of shares outstanding, 5,000 shares, par value $100.)

* * *

The application of the **First National Bank and Trust Company, in Steubenville Steubenville, Ohio** and the **Amsterdam State Banking Company, Amsterdam, Ohio,** to consolidate under the title of the **First National Bank and Trust Company in Steubenville,** has been abandoned.

* * *

Paul Carnahan has been elected to replace William Newberg, who resigned, on the Board of Directors of the **Detroit Bank & Trust Company, Detroit, Mich.**

* * *

**The St. Johns National Bank, St. Johns, Mich.,** with common stock of $200,000 and the **State Bank of St. Johns, St. Johns, Mich.** with common stock of $200,000 have consolidated as of Feb. 21, under the title of the **Clinton National Bank and Trust Company, St. Johns,** with capital stock of $400,000, divided into 20,000 shares of common stock of the par value of $20 each.

* * *

**The Bank of California's** 21st office, which will be known as the Sutter-Stockton office, opened for business, Wednesday, March 1, at the corner of Sutter and Stockton Sts. in downtown San Francisco.

Officials of the new bank are George L. Lorimer, Jr., Manager, and John M. Vandall, Assistant Manager.

* * *

**The First National Bank of Oregon, Portland, Oregon,** has increased its common capital stock from $20,100,000 to $22,612,500 by a stock dividend, effective Feb. 15. (Number of shares outstanding 1,809,000 shares, par value $12.50.)

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The Comptroller has approved the application of the **United States National Bank of Portland, Portland, Oregon,** to purchase the assets and assume the liabilities of the Coquille Valley Bank, Coquille, Oregon. The effective date is to be determined.

* * *

**The Royal Bank of Canada, Montreal, Canada,** has announced the appointments of C. Ayearst and G. H. Mercier as Supervisors, Commercial - Industrial Development, with headquarters in Montreal. Mr. Ayearst was fomerly Manager and Mr. Mercier Associate Manager, Commercial-Industrial Development.

* * *

**Credit European,** the first American-type commercial bank in Europe, was opened at 21 Rue Glesener, Luxembourg City, by the **International Bank of Washington, D. C.**

Arthur J. Morris is a Director of Credit European.

Edgar T. Konsberg, European Vice-President for International Bank, is Managing Director of the new Bank.

The Board of Directors includes Earl M. Anderson, Jr., Vice-President, International Bank; Jean Dupong, and Jean Hamilius.

* * *

Mr. H. R. Jackman has been elected a Director of the **Bank of Nova Scotia.**

## Telescript Com. Stock All Sold

Public offering of 60,000 shares of Telescript — CSP Inc. common stock at a price of $5 per share was made on March 7 by Robert A. Martin Associates, Inc. The stock sold quickly at a premium.

Net proceeds from the financing will be used by the company for various corporate purposes, including repayment of short-term bank loans; additional manufacturing facilities; product development; expansion of sales force and additional working capital.

Telescript—CSP Inc., with its principal office in New York City, designs, assembles, leases and sells audio-visual communication equipment including speech prompting devices, rear and front screen protectors and an electronic television tape editing machine. The company also provides prompting services to television and motion picture studios and others.

Negotiations are now under way for the company to acquire one-fourth of the outstanding stock of Era Research Inc., a California corporation, and to acquire the exclusive world-wide sales agency for Era's line of products. Era has developed and now makes electronic devices and instruments with military and commercial application, and is now engaged in developing and manufacturing scientific demonstration equipment specifically designed for educational purposes.

Giving effect to the completion of the current financing, outstanding capitalization of the company consists of 200,000 shares of common stock of an authorized 250,000 shares. For the ten months ended Sept. 30, 1960, the company had total income of $224,260.

## Johnson, Lane, Space Brch.

COLUMBUS, Ga.—Johnson, Lane, Space and Co., Inc. has opened a branch office in the Columbus Bank & Trust Company Building under the management of William H. Zimmerman. Mr. Zimmerman was formerly President of Spencer, Zimmerman, Pound & Co., Inc.

## Form Allan Feldman Co.

Allan S. Feldman & Co. has been formed with offices at 342 Madison Avenue, New York City to engage in a securities business. Partners are Allan S. Feldman and Gilbert Gertner.

# Boston Bank Questions Federal Reserve Policy

**A series of provocative questions is addressed to Federal Reserve officials by the First National Bank of Boston. Its vigorous and pointed examination is highly critical of Fed's recent departure from "bills preferably" policy.**

In a special supplement to its recent monthly *New England Letter,* the First National Bank of Boston and Old Colony Trust Company raised a set of provocative questions pointing up disturbing implications involved in the changed Federal Reserve open market practice.

The Bank pointed out that:

"The Federal Reserve Open Market Committee recently announced that it would purchase Treasury notes and bonds, the maturity of some of which would exceed five years. This action raises a number of serious questions, the answers to which are as important as they are presently unclear.

"What is the extent to which the Federal Reserve plans to carry its new policy? Is this, or is it not, simply a one-shot operation, hopefully involving only modest actual purchases of intermediate-and longer-term issues? Is it also hoped that the mere announcement of modest purchases will stimulate buying by others in the long-term market so that the Reserve System can confine itself to a minor 'nudging' operation?

"The answer to the last question seemingly should take into account the pattern of the yield curve just prior to the Open Market Committee announcement. A good case can be made for the opinion that the yield curve was already relatively 'flat' for any period other than one of abnormally high rates. Expressed in other words, an investor was poorly compensated, historically, for extending his maturity much, if any, beyond a period of about four years. Since the buying of longer issues by the Federal Reserve will tend to accentuate that 'flatness,' how much reason is there to hope that institutional investors will transfer from long-term Government securities to mortgages or to state, municipal, and corporate obligations? Is it not more likely that the transfer will be to relatively short-term Government securities at relatively little loss of yield?

"These questions in turn lead to serious questions relating to the financing of the Government debt. For many years the Treasury Department of successive administrations has been trying, with very limited success, to 'fund' a larger part of the debt structure by persuading investors to move from the short-term sector to the longer-term sector of the market. Is not any action which increases the attractiveness of the short-term sector at the expense of the longer-term sector a potential invitation to investors to 'unfund' their holdings in a manner directly opposite to long - range Treasury objectives?

"Another Treasury objective has been to increase the breadth, depth, and resiliency of the market for Treasury obligations. Proverbially, investors like to operate in markets which are 'free' in the sense of being subject primarily to normal economic influences and to an absolute minimum of outside or artificial stimuli. To the extent that Open Market Committee purchases in the medium- or longer-term market represent artificial tinkering both with the level and with the pattern of rates, is there not a very real danger that investors will try to avoid a non - free Treasury market and thereby actually decrease its breadth, depth, and resiliency?

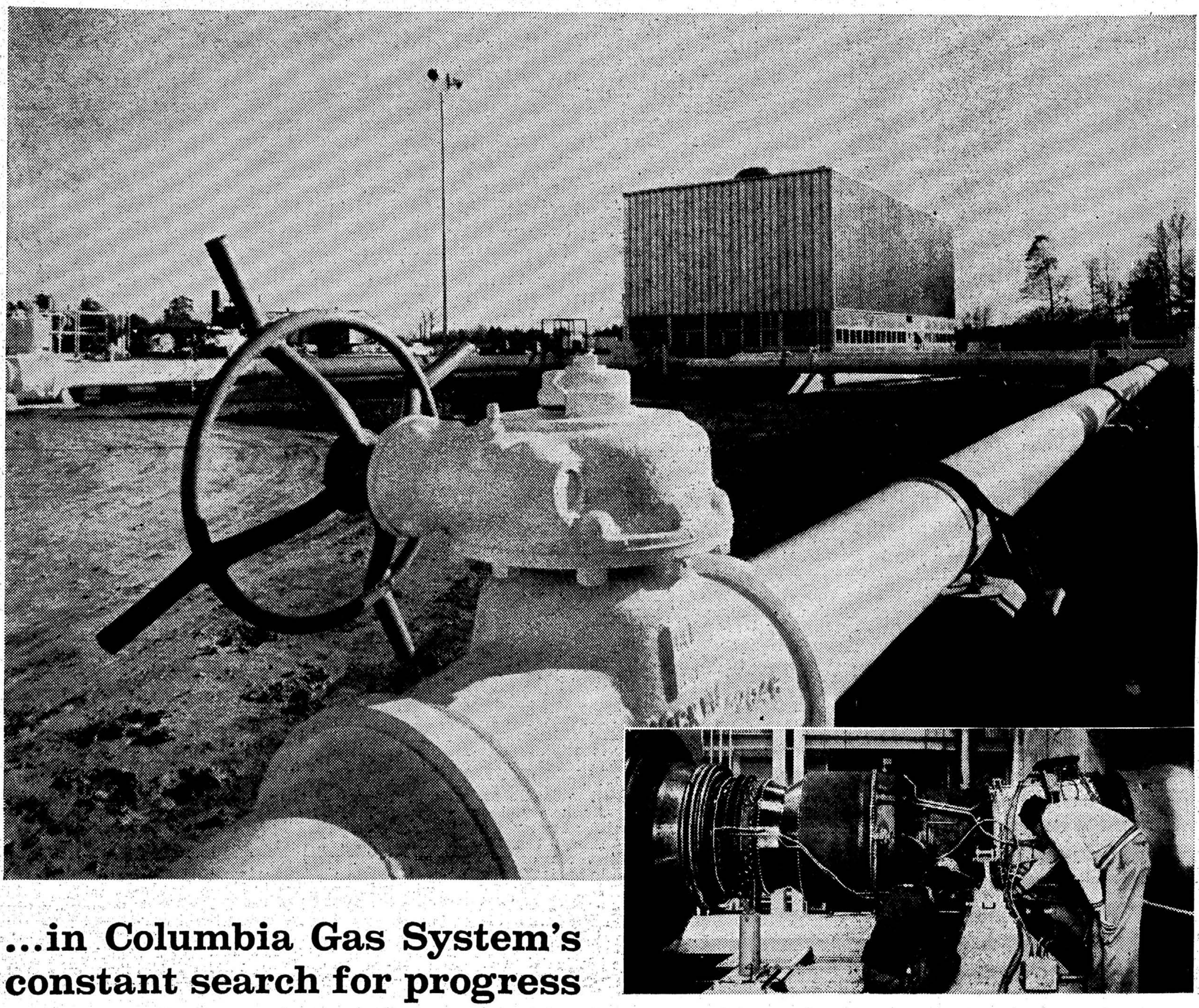
"Another logical expectation of Treasury policy has been that at some nearby stage sound debt management would call for an offering of medium- or long-term securities either for cash subscription or as a part of an 'advance refunding.' The purpose, of course, would be to decrease the tremendous total of debt maturing in the next few years. This could be done either by substituting longer-term obligations for issues immediately maturing, or by persuading holders of some specific early maturities to move into the longer-term issues in advance of actual maturity. Logical as this step is from the standpoint of the Treasury, the recent action of the Federal Reserve raises this fundamental question from the standpoint of investor psychology. If the new issue being offered falls into a maturity sector where yields have been recently, and artificially, depressed both by the announcement and by the fact of Federal Reserve buying, will the holder of a near-term maturity be more, or will he be less, inclined to accept the new offering?

"Up to this point no questions have been raised as to the potential relationship between recent Federal Reserve action and what might be called the 'natural' economic forces bearing upon interest rates. But such questions are fundamental if one logically believes that in the long run interest rates in a free society will be determined by the general level of business activity and hence by the resultant demand for credit. Starting from the premise that the economy is now in a period of softness, the duration of which is uncertain, one can visualize plenty of potential pitfalls whichever way he projects the future.

"Assume, for example, that the economy continues in the doldrums for some time to come. Does the Federal Reserve continue, either by actual purchases or by an "open mouth" policy or by both, to make longer-term rates more and more unattractive vis-a-vis even though this creates a greater and greater 'unfunding' of publicly held debt? At what point does someone decide that enough is enough, and at that mysterious point does the Reserve System simply stop buying or does it contemplate ultimate liquidation of what it has bought in the longer - term maturity range?

"An even more important question relates to what happens to this new Federal Reserve practice when general business, and hence the demand for credit, turns upward. Does the Reserve System promptly stop buying longer-term issues and possibly even consider selling? With this artificial prop removed from the market, what happens to the speculators who may follow the lead of the System, and can we expect a market decline at least reminiscent of 1958? Or, to avoid another 1958, does the Reserve System continue its support operation more or less indefinitely? If so, what are the obvious inflationary implications, and is this not disturbingly close to 'pegged markets?'

"No attempt has been made to answer any of these questions for the simple reason that the answers are not available to the layman. The serious nature of the questions themselves, however, would seem to lead one to the logical conclusion that, at the least, the recent action of the Open Market Committee appears to have very dubious merit and that, carried further, that action can have potential implications which are highly disturbing."



# Local Chambers of Commerce Face Many Responsibilities

*By* Isaac B. Grainger,* *Former President, Chemical Bank New York Trust Co. and New York Chamber of Commerce*

**Today's responsibilities confronting local organizations of businessmen are brought to the fore by a big city banker and recent President of the New York Chamber of Commerce. Depicted are national and world problems which transcend but vitally affect all individual localities in the United States. Some of the problems commented upon are: price inflation, interest rate manipulation, monetary policy, and the tight rope we must walk between domestic need and international obligations. In referring to the matter of strengthening confidence in our dollar, Mr. Grainger makes the reminder that gold is more than a commodity in that it is a very important standard of measure.**

It is recognized that the primary objectives of a Chamber of Commerce, lie in the development of its community through the attraction of business and industry and through the creation of a business climate which offers every encouragement. However, in our zeal to improve a local situation, we sometimes overlook our responsibility in national and international affairs which have a much more intimate relationship to our welfare than we suspect. A local chamber of commerce through collaboration with the local government and with the cooperation of its membership can add a potent voice in the molding of sound policies at the national level. It can give understanding to the many national problems and daily occurrences about which we read but which seem remote from our sphere of activity. However, our lives are definitely affected by them and we, therefore, have a responsibility at least to know something about them and share in the development of appropriate treatment.

Isaac B. Grainger

We may say that individually we have taken part in the election of our chief executive and our representatives in Congress, and it is up to them to solve all our problems. However, it is not quite that easy, and much can happen before we have our next opportunity to make a new selection if one is necessary. In the meantime, those whom we have elected need help. The constant voicing of opinions or warnings is a responsibility of each one of us. A most satisfactory channel through which to do this is the local chamber of commerce.

I would, therefore, urge that we not ignore in our considerations those things which, it might appear, should be treated only at the national level. Many of them should have our active concern and, to mention a few, I am thinking of such items as inflation, government fiscal policies, management of the public debt, monetary policies, international payments, and their effect upon the stability and value of the dollar, all of which touch us very intimately. These are all related items and are, therefore, difficult to separate, but I would like to make a few observations about them because we constantly see press references to them without fully appreciating their significance.

### Economy Held Sound

First, let me say, lest I be misunderstood, that there is nothing vitally wrong with our economy. There are, of course, segments which have not fared so well in recent months, and there are others which still must face a period of adjustment, but many times we have had this sort of slackening of business with strong recoveries to ever higher levels. It will be that way as long as men and women are given a free hand in managing their own affairs which, I hope, will be forever. Despite the uncertainties prevailing, I am sure that 1961 will bring a resurgence in our economy without the necessity of government tampering. It is hoped that most of the unhealthy advice which has been given so freely will be ignored and that the objectives enunciated in campaign speeches will be sought through orthodox means.

I am not concerned about the growth factor, which was so often discussed in the recent campaign. The growth record of this country stands for itself and it has taken place despite efforts made in political circles to inject ingredients which would change its normal course—substitutions for time-tested economic laws as permanent as the law of gravity. It is truly remarkable what growth we have really enjoyed despite accompanying inflation. Bear in mind that if the increase in our product is measured entirely in terms of increased prices we have had no growth. This leads me to comment upon the element of inflation about which we should all be concerned.

### Problem of Inflation

There are many who have the idea that a little inflation is a good thing. Their philosophy about this economic termite was expressed to me the day after election when I asked a taxi driver if he had voted for Mr. Kennedy, as I suspected from a remark he had made. When he said, "yes," I asked him if he were worried about inflation. He said, "No sir. I am too old and furthermore if they inflate, I inflate!" What he was saying to me was that it was all right for our children and grandchildren to bear brunt of this insidious thing and that there was some way for us to beat it. I think many do believe they can beat it or that its burdens can be borne by others. The creeping pattern is the cruelest of all because we are lulled to sleep and before we know it, we find that increased income even for those who have enjoyed it (there are millions who cannot) has not kept pace with the cost of living.

As an example, after taking into consideration both tax and price increases since 1940—23 years ago—anyone then earning $5,000 per year would now have to earn $12,300 just to maintain the same economic status without improvement. Anyone who bought a Government E Bond 20 years ago and let the interest accumulate would now have funds with total purchasing power less then the original sum invested without having the income to spend in the meantime. It is interesting to note that the same investment in high-grade common stocks at that time would in all probability have a purchasing power well in excess of the original sum—even after having the use of dividends in the meantime. Is there wonder, therefore, that the Treasury is constantly having difficulty in refunding its obligations held by individuals? In this refunding program it has to borrow at rates which must be competitive with those of other investments which provide a better haven for dollars to avoid further depreciation in value.

By these remarks one might conclude that I am casting doubts about the integrity of our government bonds. I am not. There is no safer investment in the world, so far as the return of principal is concerned, but if this principal is returned in dollars with less purchasing power, there must be a resulting loss to the holder. The interest now paid is not commensurate with the requirements of individual investors in an atmosphere of constantly increasing living costs. It is strange that the members of Congress would ignore this fact when asked by the Treasury to eliminate the provisions of the existing laws which prohibit the government from paying more than 4¼% on bonds with maturities of five years or over.

Once during the last two years the competition for money became so acute that the government could not borrow at this ceiling of 4¼% at long-term; hence, it had to do so at 5% on a very short-term basis which meant that the issue found its way largely into the hands of banks, financial institutions, and corporations. To the extent that banks bought these obligations, the money supply was increased and added impetus was given to inflation. If individuals had bought these government obligations instead of banks, there would have been no increase in the supply of money because the government's increased deposits with banks would have been offset by the purchasers' reduced deposits as a result of their withdrawals to buy the bonds.

Fortunately this situation has improved somewhat, giving temporary relief to the Treasury. But the same crisis will arise again. Before it does, Congress should amend the law to eliminate this ceiling. Psychologically, the time to do it is when it is not necessary. Therefore, I hope many will express themselves on this matter at every opportunity to help the Treasury in its debt management and to promote a sound fiscal program. There is nothing more potent in the promotion of soundness than to let interest rates automatically react to conditions. It is not generally known, but when the Federal Reserve and the government in consort tried to completely control the cost of money, they had to cope with one of the worst crises in history in 1951—but that seems to have been foregotten by many who did know.

### Interest Rate Manipulation

Of all the phenomena is our economic environment, the fiction of interest rates, to me, is the most astounding. Why a Congressman or a Senator should expect lenders to make advances to the government at other than the competitive rate is beyond comprehension. I know, of course, that the idea of low interest rates is politically palatable, but one does not have to be an advocate of either high or low interest rates. Rates, like the temperature of the body, are the effect of a condition rather than the cause of it. But also like the thermometer, they give warnings from which we can benefit. It was said many times during the recent political campaign that high interest rates represent one of the causes of inflation. Nothing could be more absurd. When the demand for money becomes excessive and the supply limited, rates go up. When the reverse is true, they go down. The higher rates become, the more likely there is to develop some restraint or discouragement to borrowers, but this is usually manifested in the long-term market. On the other hand, no matter how low rates may go in the short-term market, borrowings are not encouraged unless there is some constructive use for the money borrowed. In the long-term market, where borrowings are for expansion of plant and equipment, there is a tendency to encourage borrowers with cheaper money.

When one reviews the economic history of our country, it is found that in periods of low interest, business has been bad, and in periods of high interest, business has been good. There must be some conclusions to be drawn from this. My own conclusion is that we are better off with an active economy and higher interest rates than with a slowed-down economy with low interest rates.

It may surprise some to know that will all the references to high interest rates, they are and have been for years much lower than they were for the 40 year period 1890-1930. During that period when the country had remarkable growth, the actual net cost to borrowers was even higher because the government only absorbed one-tenth the amount it absorbs now through tax relief. Actually, then, interest is about the only extra business cost which has not sky-rocketed since the first part of the century.

### Mandatory Policy

I do not wish to belabor this subject, but the question of interest rates leads into monetary policy.

The government makes fiscal policy, and the Federal Reserve Board (independent of government) makes monetary policy. The former has to do with budgeting, spending, taxing, and borrowing. The latter operates in the area of the control of credit, the money supply, and the most of money. One of these entities, the government, is the biggest borrower and the other, the Federal Reserve, is the biggest lender. That they should cooperate with each other is necessary, but it is equally necessary that they be independent of each other.

This independence has been one of the truly great and protective devices in our economic system. If one looks in the history books for the financial chaos which has developed from time to time around the world, one only has to look at those countries which disregarded this independence between government and the Central Bank. This, therefore, is another area in which your views should be heard because there are many in political life who would have the government itself control the policies and functions of the Federal Reserve System. They usually are those who are overcome with the idea that low interest rates offer a panacea for all ills and that high interest rates are the cause thereof. Although ever-increasing wage rates and their absorption of too much of the benefits of increased efficiency are big factors—big enough to be a major national problem—nevertheless two important causes of inflation are unbalanced budgets and the indiscriminate increase in the money supply. The former contributes to the latter, but the Federal Reserve System has the power and the responsibility to hold in check those forces which are put into play by deficit spending.

### Praises Fed's Accomplishments

In my opinion, the Federal Reserve Board has acquitted itself in good fashion. It is the only body in existence which can take measures to influence the supply of money and the rate structure. Obviously no group of individuals can be perfect and errors in judgment are sometimes made, but on balance I think we can all be grateful for the dedication which the Federal Reserve Board has shown towards preserving a sound economy. Bear in mind that it must walk a tight rope between domestic needs and international obligations due to the deficit in our balance of payments abroad and the resultant loss of gold.

To go back to the tight rope to which I referred, the Federal Reserve, under an Act of Congress in 1946, has certain responsibilities towards maintaining high employment and a stable economy. There are times, like the present, when business recedes and the Federal Reserve must set in motion counteracting influences if possible. If the Board feels that interest rates are at a level which discourages further expansion of plant and facilities, there is an attempt to hold these rates down. On the other hand if at the same time rates in other countries are much higher, there is a natural gravitation of funds from the American market to European markets, which causes a drain upon the available supply of money here at home and hence upon our gold.

Therefore, interest rates become an important factor in this whole problem and, until ours are more in line with other countries or vice versa, the flow of money away from this country will continue. The interest differential did not become accentuated until 1958 because prior to that time there was little free exchange. Money, therefore, did not flow to England and the Continent because there was no assurance that it could be returned upon demand. Since 1958 the economies and reserve positions of other countries have made free exchange a reality.

Of course, there are many other elements involved in this complicated question of our international payments which ultimately must be solved because, just as in our own family group, we cannot pay out more than we receive without ultimately finding ourselves in an untenable position. We in this country have made a tremendous contribution around the world since 1945 in the rehabilitation of the economies of others; the fact that we are now concerned about our own dollar position is a tribute to the success of our plans. On the other hand, some of these burdens must be borne by those who have benefited from the willingness of the American taxpayer to be taxed so heavily in the interest of world stability.

It is a paradox that in the year 1960 we had the highest surplus of exports over imports in many years (approximately $5 billion) that is to say, we have sold $5 billion more than we have bought. On the other hand, our total outgo has been $4 billion greater than our total inflow, which means that offsetting the favorable trade balance of $5 billion we have paid out $9 billion, and this has gone through many channels: High military expenditures abroad, money spent by American tourists, foreign aid to developing countries, the transfer of American funds for investing at higher interest rates, and the investment by American companies in foreign plants and equipment in order to be able to compete with foreign labor costs.

### The Desire for Gold

World tensions have resulted in the desire by many on the Continent to convert currency into gold, a perfectly natural desire on the part of anyone worried by future events, and this has reflected itself in the drain on our supply. There has also developed a feeling in recent months that the new Administration, because of its announced objectives which would require excessive expenditures, might be lax in its budgetary program. Also, there have been rumors around the world that we would devalue our currency by marking up the price of gold. Both of these conditions also have caused withdrawal of dollar balances by foreigners.

It is strange that, while ours is still the strongest and most sought after currency in the world, there should be developing questions about it. There are two ways to stop any feeling of lack of confidence. We must keep our financial house in order—that is, live within our means both at home and in the international field—and we must hold steadfast against efforts to change the price of gold.

It is obvious that the President must assert himself promptly and definitely on the question of policy on these matters. Unless he impresses the world with the idea that he really supports sound fiscal and monetary policies and will not succumb to the pressures relating to the price of gold or to spending beyond our means, the erosion in our international position will continue with disastrous effects upon our economy.

I wish my paper had the space to accomodate the complicated subject of gold, but suffice it to say that gold is not a commodity in the same sense that other materials are except for jewelers, dentists, and a few industrial operations. It is merely a standard of measure and a very important one at that. To change its value would, like stretching a yardstick, cause everything in relationship with it to increase in value or to express it another way, to cheapen the dollar. The fact that our currency must be supported in part by gold (25% minimum) is a protective restraint against the indiscriminate issuance of it. To arbitrarily increase the price of gold would be to relax this restraint by giving the government a base for more dollars to print and spend. The result would be another inflationary spiral. It would not help us in international transactions because every other country would immediately follow suit. The biggest benefactors would be South Africa and Russia, the two largest producers of gold. I certainly do not think we want to give this bonanza to our cold-war enemy, Russia. I, therefore, hope that on this additional point Chamber of Commerce members will express themselves whenever they have opportunity in order that our Congress will not be tempted to follow another false doctrine which has many sympathizers.

I may have gone unnecessarily into too much detail about these serious matters, but my purpose is to emphasize that, in addition to working hard to fulfill the hopes and aspirations of one's community, a Chamber and its membership should not ignore international and national matters which affect the country's economy and, hence, one's own. All who live in a delightful community are blessed with many advantages and they certainly do not want developments elsewhere, whether they be political or economic, to adversely affect the bright future which is held in store for them.

*From an address by Mr. Grainger before the Lakeland Chamber of Commerce Annual Dinner, Lakeland, Fla.

## Opens Investment Office

ROCKVILLE CENTRE, N. Y.—Fayette Thomas is engaging in a securities business from offices at 1440 California Avenue.

## Form Underhill Securities

Underhill Securities Corporation has been formed with offices at 19 Rector Street, New York City, to engage in a securities business.

## Cruttenden, Podesta Conference

CHICAGO — Maurice J. Bernstein (right), President of American Biltrite Rubber Co., Inc., was a featured speaker at the recent national sales conference of Cruttenden, Podesta & Co. Here, he is welcomed to Chicago by Robert A. Podesta (center), managing partner of the coast-to-coast investment firm, and Alvin Baum, of Security Supervisors.

# Emphasis Upon Fiscal Urged By N. Y. Federal Reserve

In simultaneously facing a domestic business recession and a continued balance-of-payments deficit during 1960, the United States monetary authorities were confronted with a basic dilemma, according to the 1960 *Annual Report* of the Federal Reserve Bank of New York. The domestic business picture paled as "high level stagnation," followed by an outright though mild recession, replaced the booming expectations with which the year had opened. At the same time, the easing of economic activity in the United States took place against the backdrop of the most persistent, large-scale balance-of-payments deficit that this country has ever experienced.

The easing of credit conditions in response to the sag in domestic business tended to reduce short-term interest rates. There was a risk that lower interest rates would accelerate short-term capital outflows to such an extent as to weaken seriously our immediate international payments position. There was an even more fundamental risk that any neglect of the balance-of-payments problem might so adversely affect confidence in the dollar as to result in massive capital outflows of a speculative character. It was essential that the monetary and fiscal authorities re-emphasize their awareness of the need for a fundamental adjustment in the payments position and that steps be taken to bring about a fundamental adjustment in the payments position.

### No Longer the Anti-Recession Weapon

The risks in pursuing a national policy of monetary ease suggests a lesson that might be applicable to all of the industrial countries of the now closely integrated Free World economy, the Reserve Bank observed. Traditional monetary policy as an anti-recession weapon may be more closely circumscribed in the years ahead. It may have to be supplemented by a more flexible and imaginative use of fiscal policy and possibly by more subtle and more varied use of debt management or monetary control devices. Experience in some industrial countries abroad, notably Germany, suggests that the same lesson may be applicable to the reverse situation in which a boom with inflationary undertones exists side by side with a large balance-of-payments surplus.

At home the inflexibility of fiscal policy has tended to place a heavy burden on the monetary authorities and has been, in some years, a major factor both in the high levels reached by interest rates in inflationary periods and in the very low rates that have sometimes characterized recessions. For example, in 1959, a boom year in which demands upon the economy were mounting rapidly, an important contributing factor was the huge Federal deficit "left over" from the previous recession. This deficit made it difficult for the monetary authorities to check the growth of bank credit, the money supply and general liquidity; at the same time, Treasury borrowings to finance the deficit helped to drive interest rates to sharply higher levels. On the other hand, in 1960 the sharp swing from Federal deficit to Federal surplus reduced the demands for bank credit and slowed the growth of the money supply and liquidity at a time when the monetary authorities were attempting to encourage credit expansion.

"All of this suggests" the Reserve Bank points out, "that there may be better ways of meshing our over-all fiscal and monetary controls so as to utilize more effectively the underlying strength of the economy." Worthy of further exploration would be a more flexible and rapid adaption of fiscal policy to the ups and downs of business cycle, perhaps through more frequent review and readjustment of tax rates and spending policies. "In recession periods a quicker, though not necessarily large, easing of fiscal policy might obviate the need for a sharp easing in monetary policy and interest rates, which could adversely affect the balance-of-payments. And, in booms, quicker tightening of fiscal policy could help to limit the extreme advances in interest rates and dampen disruptive inflows of interest-sensitive funds from abroad. For broadly similar reasons, the desirability of consumer credit controls on a standby basis may also deserve renewed considerations."

## Merrill Lynch Branch

FOREST HILLS, N. Y.—Merrill Lynch, Pierce, Fenner & Smith Incorporated has opened a branch office at 70-49 Austin Street under the management of Edgar G. Milton.

# Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Federal Reserve Banks again bought Government issues with a maturity of more than five years, but the amount purchased was small and there were no obligations among the securities bought that could be considered in a long bond classification. It seems as though the Central Banks are proceeding cautiously in putting the newly adopted open market policy into operation. The commitments which have been made so far under the changed open market operations have been in the short and intermediate areas of the Government market and the securities in these groups have remained pretty much on the stable side.

The movement of funds into fixed income bearing obligations continues to be sizable in spite of the sharp upward trend of common stocks. However, it is evident that corporate bonds and tax-exempt obligations still have more attraction for investors than do long Governments.

### Impact on Money and Capital Markets

The change in Federal Reserve policy as far as open market operations are concerned appears to have thrown a bit of caution, if not some confusion, into the operations of not a few followers of the money and capital markets. It should be borne in mind, however, that the policies of the monetary authorities are not intended to give a green light to the undertakings of any particular group in the financial district. Therefore, it may be that the current program which the Federal Reserve Board is pursuing is intended to inject a little concern, at least into both the money and capital markets.

However, it should be remembered that purchases of bills, certificates, notes and bonds for open market purposes does not start the engine of inflation all over again since these commitments are not price pegging operations whether they be made in the short, intermediate or long-term sectors of the Government market. It is only when the powers that be go in for price pegging as was done during World War II that the forces of inflation are put into gear again with the very unfortunate and unfavorable results which came along later.

### Not Price Pegging

It is evidently the purpose this time of the changed open market operations to meet the new conditions which have developed because of the unfavorable balance of payments and the business decline. This most likely means that the program calling for stable to higher short-term rates along with lower long-term rates will continue to be in operation for as long as economic conditions here are adverse and the balance of payments is still a problem. The higher near-term rates should tend to keep the quickly transferable money here, while lower long-term rates should have a favorable influence on the flotation of long-term issues that could help the economy recover from its recession by creating employment for those who are in need of work.

The purchase of long-term Government bonds by the Federal Reserve System is intended only to "nudge" long-term interest rates so that levels will prevail which will bring borrowers into the capital market. This is not price pegging by a long shot and it will not create inflation, as has been contended by some. In addition, the inclusion of more long-term Government bonds in the holdings of the Federal Reserve Banks would not be detrimental to the economy either, since the current position of the distant maturities of Government obligations by the Central Banks is very modest and on the conservative side. On the other hand, these portfolios are very much weighted on the side of short-term obligations.

The new purchases which have been made by the Central Banks are still in the moderate classification and it is not believed that the buying which the Federal Reserve Banks will do in order to have a nudging effect on long-term rates will have to be very large. It will not take much in the way of commitments in the distant sector of the Government market to have a favorable effect price-wise on these securities as long as the Treasury confines its new money raising and refunding operations to the short-term sector.

### Buying by Investors

In spite of the way in which the intermediate and long-term Governments have been moved up and down by the so-called professional element in the market, there is a steady flow of these securities into the hands of investors. There are no overhanging blocks of these securities around and, when price weakness does develop, it does not bring in important holdings of these obligations. On the other hand, buyers are readily available at selected levels.

## Space Research Stock Marketed

Joseph Nadler & Co., Inc. offered on March 8, 100,000 shares of the common stock of Space Research & Development Corp. at $3 per share.

Net proceeds from the financing will be used for a variety of corporate purposes including payment of current liabilities resulting from acquisition; expansion of engineering and research; and enlargement of inventories and purchase of raw materials. The balance of the proceeds will be added to the working capital of the company and its subsidiaries.

Space Research & Development Corp., and its two incorporated subsidiaries, located in Portland, Ore., are engaged in the development, manufacture and sale of electronic and mechanical test instruments used in the automotive, aircraft and other industries. In addition, the company manufactures a variety of specialized technical products including parts for missiles, jet aircraft and manned space vehicles. The company also conducts engineering research projects for the United States Government missile and outer space programs.

Upon completion of the current financing, outstanding capitalization of the company will consist of 235,000 shares of common stock.

## D. C. White Opens

SCARSDALE, N. Y.—Dougald C. White is conducting a securities business from offices at 42 Crane Road.

## Richard Whiting Opens

OLD BETHPAGE, N. Y.—Richard Whiting is engaging in a securities business from offices at 5 Farragut Road.

# MUTUAL FUNDS

*BY ROBERT E. RICH*

## Life of A Salesman

One of the first things a mutual fund salesman learns from dealing with the public is that investing is a psychology business. As any seasoned Wall Streeter could tell the recruit to sales: when the public is in the mood to buy stocks, the Big Board ticker simply can't keep abreast of quotations.

Here in 1961 the public has shaken off the apathy that characterized 1960 and returned in an almost feverish state to brokers' boardrooms. Discovery of this newest Golconda hasn't always been the fortune of boardroom denizens, although few brokers have cause to complain. As for many a small investor, aside from gratification at seeing his losses in an oil, a railroad, a motor, a textile or electrical equipper reduced somewhat, he may be justified in wondering what all the shouting is about.

He knows, for example, that on a typical day last month 132 stocks set new highs and not a single issue dropped to a new low as trading approached the 6-million-share mark. But he also knows that on that very day more stocks declined than advanced and some 200 others showed no change whatever.

Note, please, this sampling of the standout performers: American Photocopy, American Seating, Bell & Howell, Clark Equipment, Commercial Credit, General Precision Equipment, Hackensack Water, Northrop, Peabody Coal, Sterling Drug.

Diverse enough for the most cosmopolitan taste! And if you add in the other 122 peak-setters, you come up with a reasonable resemblance to a top-flight mutual fund portfolio.

Here, it seems to us, is a big selling point for the fund salesman nowadays. It may be a cliche to say that this long has been, is now and figures to go on being a market of stocks, rather than a stock market. But to millions of little people across the country, who are investment-minded, it is a situation that is, at best, only dimly appreciated.

Frequently, these unsophisticated, that is, in the ways of the market) are determined to give it a whirl, figuring the stock of their choice is bound to rise with the rest of the market.

Well, another first among the things that a mutual fund salesman learns is that it is the sophisticated little people (sophisticated, that is, in the hazards of tackling something about which they know nothing) who are the best prospects for their wares. Well over one-half of the purchasers of mutual funds have incomes of less than $7,500 a year and nearly three of every four fund owners have incomes of less than $10,000 annually.

Millions of do - it - yourself strangers to the marketplace have come to grief even though they reasoned, accurately enough, "the market will go higher." They failed the ultimate test: selecting the issues that would star or, at least, advance moderately. And being people of modest means, they could not afford many—sometimes any—mistakes. In their frustration, many have turned to any one of thousands of investment clubs or made up their minds never again to venture into the stock market.

By contrast, the fund salesman and his customer, by and large, did not fare too badly even in 1960, a dour year for most Wall Streeters. While sales dropped almost $200,000,000 from record 1959, volume still toted up to well over $2 billion, which hardly spells death for the salesman. Obviously, many little investors were less filled with despair than the Wall Street professionals. Those hardy souls who bought at depressed prices in 1960 now have much cause to congratulate themselves.

With the little people once again in a mood to seek out investments, the fund salesman should thrive. That he has had, now has and will continue to have a good thing going for him was recognized a long time ago by Prudential Insurance Co. of America. The Pru late last month filed an application with the Securities and Exchange Commission in a step that should lead presently to the sale of variable annuities.

For the fund salesman, it means competition from a corporate Colossus, since the Pru's assets are nearly as big as all of the mutual funds put together. When it gets the green light from the SEC, it's a reasonable assumption that this second largest insurance company will do a top-drawer job of publicizing and marketing these new wares. At the Pru, the Rock of Gibraltar is something more than a wall symbol.

Still, a good salesman should welcome competition. And the Pru may even give a lift to his business through its promotion of the idea of managed investment.

As for the fund managers, they might just as well get used to the idea of competition in the 1960s because, barring an economic disaster that does not appear to be in the cards or replacement of the cold war with a hot one, a society whose living standards are steadily rising wants a larger stake in the country's commerce, but is often reluctant to go it alone. Investment management represents for millions of people a sophisticated approach to the solution of their problem.

It is idle to suppose that, given such conditions, insurance companies, banks, real estate syndicates and a host of others will not rush in to fill the need for such a service.



## The Funds Report

**American Growth Fund** reports for the six months ended Jan. 31 a rise in net asset value per share to $5.23. This compares with $4.60 at July 31, 1960, end of the fiscal year. Total assets of the fund have gone up in value from $858,000 to $1,208,000 in the last six months.

* * *

**Boston Fund** closed its 29th year with record year-end highs in net asset value per share, total net assets and number of shareholders. Value of the shares increased during the year to $18.13 from $16.18 a year earlier. Total net assets at the fiscal year-end, Jan. 31, were $257,615,686, against $211,907,980 a year earlier. Number of shareholders rose to 38,239 from 35,974.

Stocks purchased in the final quarter included additional shares of Beneficial Corp.; Walter E. Heller & Co.; Texas Gas Transmission; Trane Co.; Transcontinental Gas Pipe Line. There were these new purchases: Elizabethtown Consolidated Gas; Gulf States Utilities; Socony Mobil Oil; Southwestern States Telephone, and Will Ross, Inc. The company meanwhile eliminated holdings of Equitable Gas; General Electric and General Telephone & Electronics. Holdings of Northern National Gas and Rohm & Haas were reduced.

* * *

**Colonial Fund, Inc.** reports that at Jan. 31, end of the first quarter of the fiscal year, net assets amounted to $79,901,572, equal to $10.85 a share, compared with $68,300,450 and $9.66 a share at Oct. 31, end of the fiscal year.

During the latest quarter the company purchased Hertz Corp.; Hooker Chemical; P. Lorillard; Pocket Books and Riegel Paper. It sold Fireman's Fund Insurance Co.; Morgan Guaranty Trust and Pullman Incorporated.

* * *

**Electronics Investment Corp.** reports that at the close of the Jan. 31 quarter, net assets were at a record high of $37,653,050, or $8.17 a share. This compares with $32,377,675 and $7.26 a share three months earlier.

* * *

**Fidelity Fund, Inc.**, one of the Fidelity group of mutual funds, declared a quarterly dividend of nine cents per share, payable March 25.

* * *

At the annual meeting, shareholders of **Group Securities** approved the combination of 12 separate industry classes with The Common Stock Fund and two specialized bond funds with The General Bond Fund. With the largest vote in the fund's history—about 72% of shares outstanding were represented in person or by proxy—the plan was approved by 98%. While the effective date for the combination is to be March 15, based on present values the plan will result in total assets of $135,000,000 for The Common Stock Fund.

Directors re-elected at the meeting were Dr. Paul W. McCracken, professor at the School of Business Administration, University of Michigan, and formerly a member of President Eisenhower's Council of Economic Advisers; Harold X. Schreder, Executive Vice-President of Group Securities, Director of Research of Distributors Group, the fund's investment adviser, and a Director of P. Lorillard Co.; and Donald B. Woodward, President and Director of Piedmont Advisory Corp., and Economist and Director of Richardson-Merrell Incorporated.

* * *

**Guardian Mutual Fund, Inc.** reports that at Feb. 28 (four months of the current fiscal year) net assets amounted to $13,306,924, equal to $22.21 on each of 599,074 shares. This compares with assets of $9,018,414, or $18.58 a share, and 488,844 shares on Oct. 31, 1960.

* * *

**The B. C. Morton Organization** has acquired control of the investment management and distribution of Lone Star Fund, Inc., an open-end investment company now operating under the name, The B. C. Morton Fund, Inc. Details of the nationally represented Morton Organization's "most important expansion to date" in the mutual fund field were announced by Chairman Morton W. Goldberg and President Bernard Carver. They include:

The purchase of most of the outstanding stock of All States Management Co., investment adviser to the four-year-old mutual fund.

The relocation of both the fund and All States Management from Dallas to B. C. Morton's main headquarters in Boston.

The final preparations for nationwide distribution of shares of the fund through B. C. Morton's 77 investment offices.

* * *

**Niagara Share Corp.** at the end of February had net assets of $65,882,021, or $24.38 a share. This compares with $59,907,577 and $22.17 a year earlier.

* * *

**Revere Fund** reports that at the close of February total assets were $1,750,066, equal to $18.36 a share, against $668,351 and $12.66 a year earlier.

* * *

**Tri-Continental Corp.** has maintained the "leverage" feature of its capital structure by completing the sale of $20,000,000 of series A debentures, according to Fred E. Brown, President. The bonds, sold by an underwriting group headed by Eastman Dillon, Union Securities & Co., will pay 3⅞% and are due March 1, 1966. Mr. Brown stated that "$18,060,000 of the proceeds from the debenture issue will be used to refund an equivalent amount of outstanding debt obligations, and the balance will be used for investment purposes."



## New York Office

First Miami Securities Corporation has opened a New York City office at 20 Pine Street (c/o Bruce Armstrong).

## Form First Northeast

First Northeast Securities Inc. has been formed with offices at 15 William Street, New York City, to engage in a securities business.

## First Real Estate Inv.

First Real Estate Investment Fund has been formed with offices at 604 Fifth Avenue, New York City. Partners are M. Monroe Fass, Henry Wolfson, and Ira Kavanau.

# Puerto Rico $40 Million Bonds Offered

An underwriting syndicate formed by the merger of two groups—one headed by First National City Bank of New York and Chemical Bank New York Trust Co.; the other managed by The Chase Manhattan Bank, Morgan Guaranty Trust Co. of New York and Ira Haupt & Co.—was the high bidder for an issue of $40,000,000 Commonwealth of Puerto Rico, Public Improvement Bonds, due July 1, 1962 to 1981, inclusive.

The syndicate submitted a bid of 100.1162 for the bonds as 5s, 3½s, 3¾s and 4s, representing a net interest cost of 3.894% to the borrower.

On reoffering to the public, the bonds are scaled to yield from 1.75% to 4%, according to maturity.

Other members of the underwriting syndicate include: The First Boston Corporation; Halsey, Stuart & Co. Inc.; Lehman Brothers; Bankers Trust Company; C. J. Devine & Co.; Drexel & Co.; B. J. Van Ingen & Co. Inc.; Harris Trust and Savings Bank.

Banco Credito y Ahorro Ponceno; Banco Popular de Puerto Rico; Banco de Ponce; Harriman Ripley & Co. Incorporated; Smith, Barney & Co.; Blyth & Co., Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Kuhn, Loeb & Co.

Goldman, Sachs & Co.; Merrill Lynch, Pierce, Fenner & Smith; Eastman Dillon, Union Securities & Co.; The Philadelphia National Bank; Bear, Stearns & Co.; Mercantile Trust Company; White, Weld & Co.; Continental Illinois National Bank and Trust Company of Chicago.

Phelps, Fenn & Co.; Carl M. Loeb, Rhoades & Co.; Blair & Co. Incorporated; R. W. Pressprich & Co.; Allen & Company; Dean Witter & Co.; Hornblower & Weeks; Equitable Securities Corporation; Lee Higginson Corporation; Stroud & Company Incorporated.

# Boonton Elect. Secs. Offered

Ross, Lyon & Co., Inc., manager, and Globus, Inc. offered on March 7, 60,000 shares of Boonton Electronics Corp. common stock and warrants to purchase 30,000 shares of common stock at a unit price of $5.50 for one share of common and one-half of a warrant. One full warrant is required to purchase a share of common stock at $5.50 during the first year and at $6.50 during the second year.

Net proceeds from the sale will be applied by the company toward expanded production facilities, a larger research and development program, additional advertising and sales promotion, and as an augment to working capital.

The corporation designs and manufactures precision electronic measuring equipment.

## CORRECTION

In the *Financial Chronicle* of Feb. 16 in reporting the formation of Financial Equity Corporation of Los Angeles, it was indicated that John J. Keenan and Joseph G. La Puma were officers of the corporation. We are informed that this is in error. Financial Equity Corporation is a wholly-owned subsidiary of Currier & Carlsen, Inc., 210 West Seventh Street, of which Mr. Keenan is Vice-President. Mr. La Puma is manager of Currier & Carlsen's, 639 South Spring Street, office.

Mr. Jack Mahakian is directing Financial Equity Corporation, a mutual fund operation, which has its offices at 3450 Wilshire Blvd., Los Angeles.

# INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

## ANNUAL MID-WINTER DINNER

## At Bellevue Stratford Hotel FEBRUARY 24, 1961

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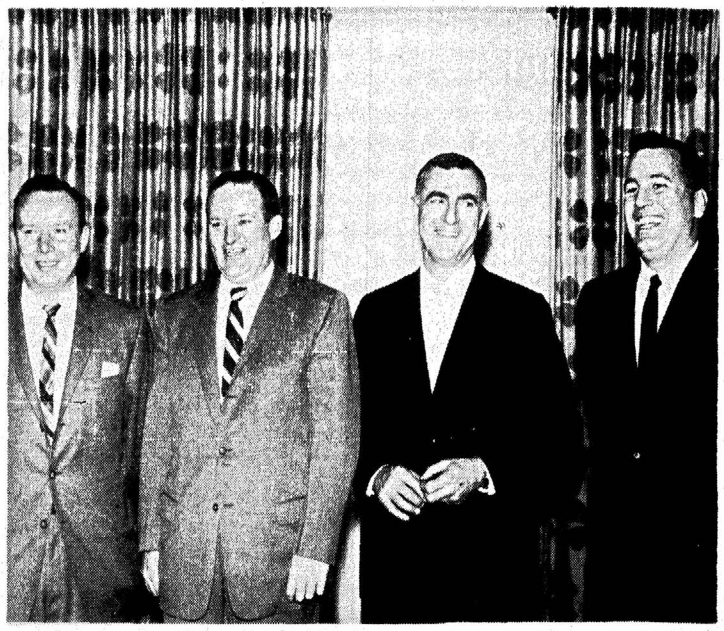

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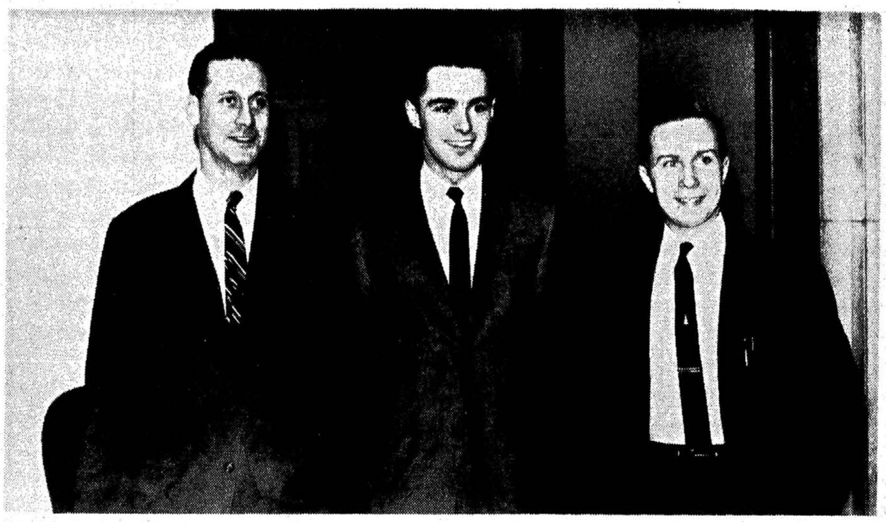

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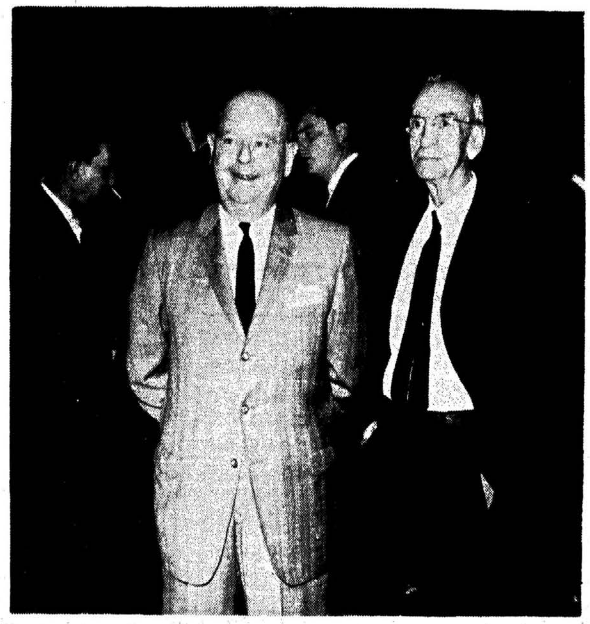

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Hal Murphy, *Commercial & Financial Chronicle*, New York; Bud Hardy, *First Boston Corporation*, Philadelphia; Walter Filkins, *Troster, Singer & Co.*, New York; Louis Volkomer, *Interstate Securities Corporation*, New York



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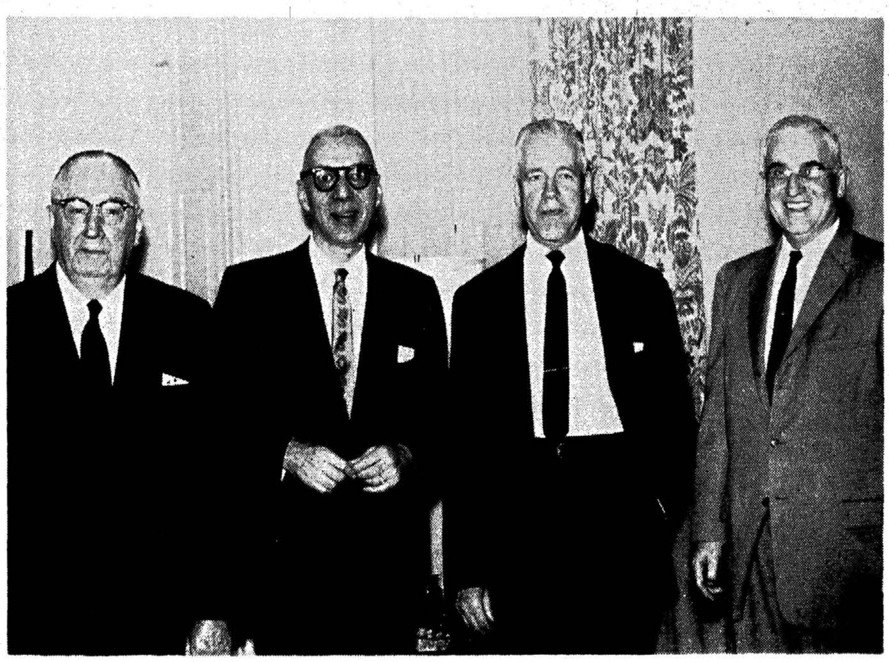

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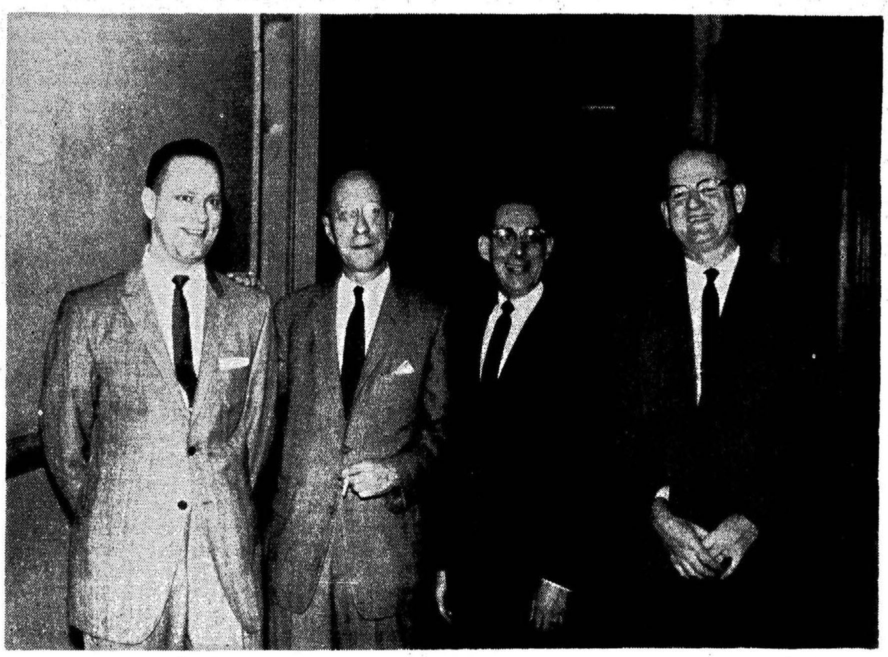

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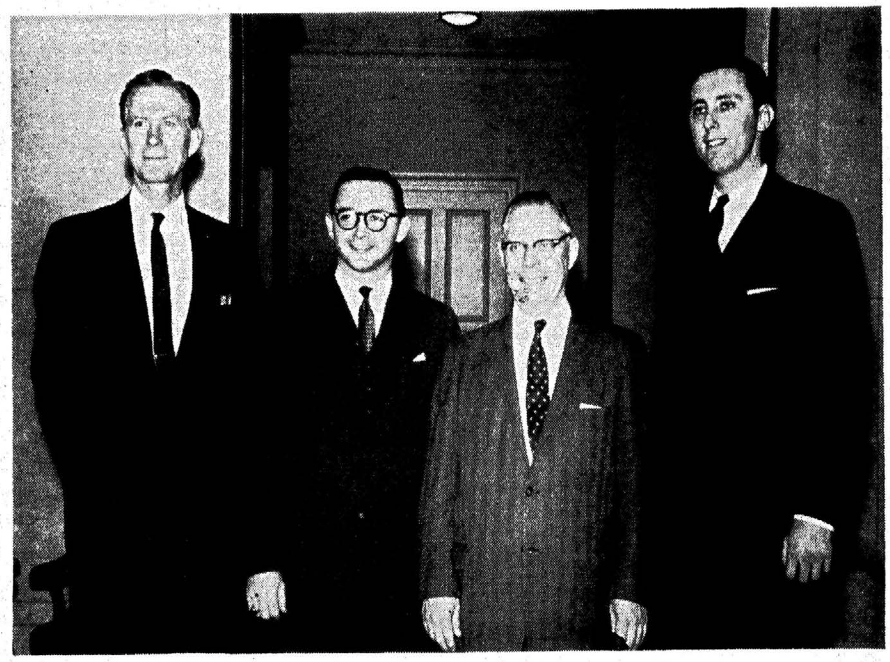

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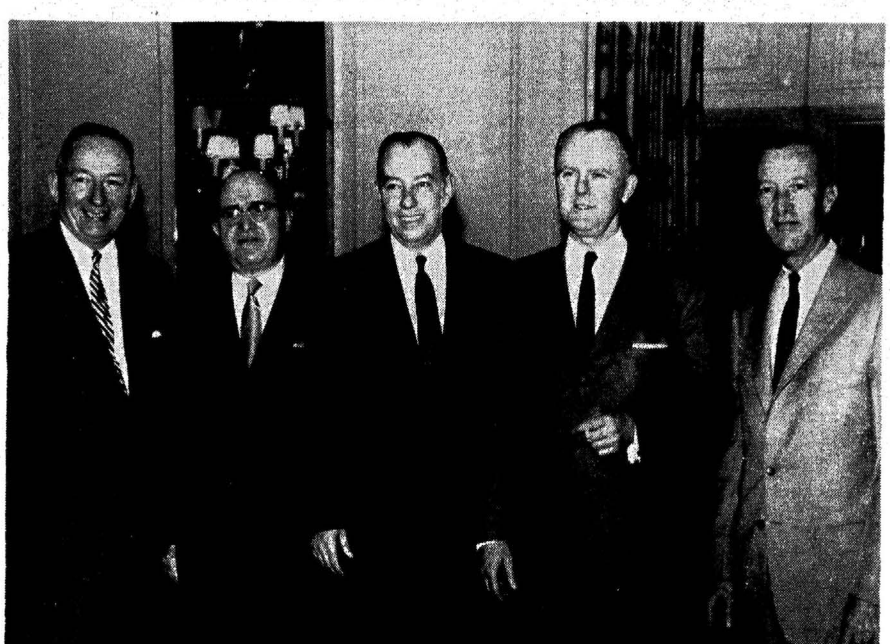

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Ed Kelly, *Carl M. Loeb, Rhoades & Co.*, New York; Willard Rice, *Eastman Dillon, Union Securities & Co.*, Philadelphia; Daniel J. McCauley, Jr., *Securities & Exchange Commission;* Joseph Smith, *Newburger & Co.*, Philadelphia; Charles Bodie, *Stein Bros. & Boyce*, Baltimore

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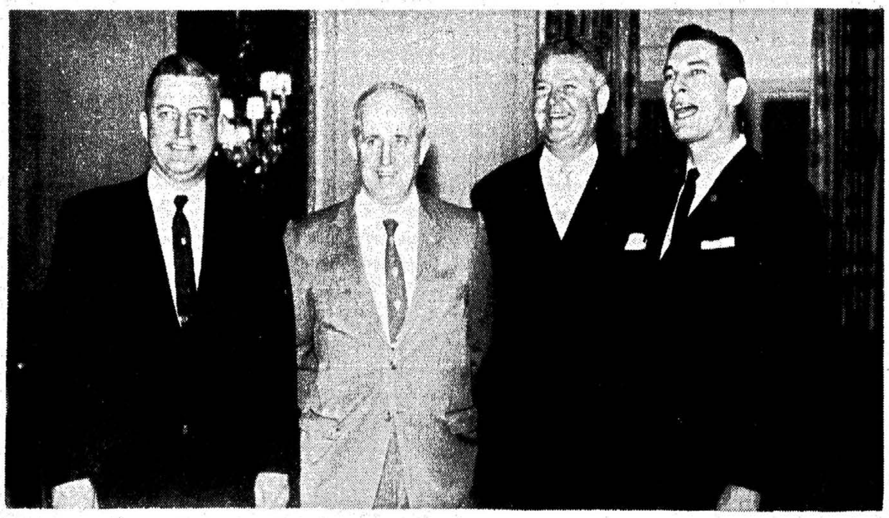

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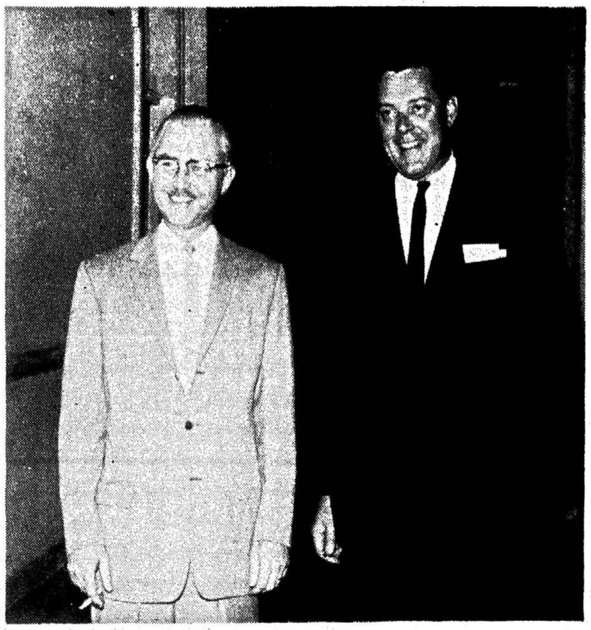
Joe Cummings, *Brooke & Co.*, Philadelphia; Barney Nieman, *Carl Marks & Co., Inc.*, New York; John Fitzgerald, *W. C. Pitfield & Co., Inc.*, New York; Joe Scheidecker, *Coffin & Burr, Incorporated*, New York

Al Tisch, *Fitzgerald & Company*, New York; Dolores Dougherty, *Bishop & Hedberg;* Jim Mundy, *Suplee, Yeatman, Mosley Co., Incorporated*, Philadelphia

Herbert Fitzpatrick, *Dick & Merle-Smith*, New York; Charles Preller, *Eastman Dillon, Union Securities & Co.*, New York; John McCormack, *F. S. Smithers & Co.*, New York; Sam Weinberg, *S. Weinberg, Grossman Co., Inc.*, New York

Frank Murray, *Laird, Bissell & Meeds*, New Haven, Conn.; Don Gerstenzang, *Abraham & Co.*, New York; Bob Topol, *Greene and Company*, New York; Sal Cerruto, *Walston & Co., Inc.*, New York



Bob Hart, *Euler & Hart*, Philadelphia; Fred Devoll, *Woodcock, Moyer, Fricke & French, Inc.*, Philadelphia

Carl Necker, Jr., *Goldman, Sachs & Co.*, Philadelphia; Henry Warner, *Laird, Bissell & Meeds*, Philadelphia

Arthur Horton, *Penington, Colket & Co.*, Philadelphia; Samuel A. Crozer, *Stroud & Company, Incorporated*, Philadelphia

# Business Outlook, Interest Rates and Securities Markets

*Continued from page 1*

it is doubtful if the long term bond yields would decline even that far.

There is no apparent relationship as yet between the Federal Reserve's action to "nudge" long term interest rates down and the action of yields on corporate borrowing. Exhibit 1 shows that High Grade Corporate bonds are selling near their highs for the current economic cycle, and the yields on these bonds are virtually the same as they were six weeks ago.

Purchases of higher yielding, average quality bonds have been heavy recently, and the yields on these instruments, as evidenced by the Dow-Jones 40 Bond Index, have declined to a low level in relation to the normal spread between top and average quality bonds. The closeness of the yields now should spur renewed buying and lower yields in the High Grade Corporate issues in the weeks ahead.

*Future Courses*—Interest rates and yields on most classes of debt should edge up to higher levels by late 1961 and continue on upward during 1962. This conclusion is supported by the following factors:

(1) Federal Reserve Board policies will continue to emphasize the protection of the United States' gold reserves. Hence, the lowest yields on U. S. Treasury bills, bankers acceptances, and prime commercial paper have already been set for this economic cycle, since the monetary authorities are not expected to buy significant amounts of Treasury bills.

(2) The mild economic recovery should increase business borrowings and the demand for short term money. The interest rates are particularly volatile on these securities, so that moderate increases in demand could materially stiffen the interest rates asked by lenders.

(3) Demands upon the available supply of short term money will probably be intensified by Treasury borrowing to cover an almost certain deficit in the Federal Government's operations. This situation will be watched closely as the year progresses to determine the extent of such a deficit, but a deficit of between $5-$10 billion would not be surprising.

The Federal Reserve's renunciation of a "bills only" policy in open market operations seems to indicate a desire to shift towards a flexible trading policy of dealing in a varied range of maturities rather than a complete reversion to the pegging of long term bond prices. Consequently, some of the normal supply-demand and yield curve influences are likely to be permitted to operate in the money markets in the future. Assuming this conclusion is a realistic reading of the current situation, long term interest rates should be forced up again as the overall demand for borrowed funds intensifies. The yields on long term debt may move lower in response to a slack economy and the "nudging" of the Federal Reserve during the next three to six months, but the impending rises of interest rates and yields in short term money markets should eventually push the long term yields up to their normally higher levels.

In closing, it should be noted that the really sharp advance in interest rates which lies ahead will probably not occur until 1962 when the next economic expansion will have had an adequate opportunity to become well established.

### TABLE I
**Interest and Yield Rates on Government, Municipal and Business Debt**

| Borrowers and Issues | Low and High for Economic Cycle— Aug., '57-May, '60 Low | High | June, 1960-? Low | High | Feb. 1961 |
|---|---|---|---|---|---|
| *U. S. Government:* | | | | | |
| Treasury Bills— | | | | | |
| 3 months maturity | 0.58% | 4.62% | 2.18% | 2.38% | 2.58% |
| 9 months maturity* | 1.14 | 5.00 | 2.58 | 3.11 | 2.86 |
| Treasury Notes— | | | | | |
| 1-2 years maturity | 2.25 | 4.92 | 2.73 | 3.47 | 3.01 |
| 3-5 years maturity | 2.30 | 5.05 | 3.34 | 3.94 | 3.42 |
| Treasury Bonds— | | | | | |
| 5-10 years maturity | 2.75 | 4.72 | 3.66 | 4.07 | 3.69 |
| 10-20 years maturity | 3.13 | 4.50 | 3.76 | 4.06 | 3.76 |
| Over 20 years maturity | 3.23 | 4.37 | 3.85 | 4.01 | 3.85 |
| *Municipal:* | | | | | |
| High Grade Bonds | 2.85 | 3.81 | 3.31 | 3.58 | 3.32 |
| *Business:* | | | | | |
| Bankers Acceptances | 1.75 | 5.06 | 3.00 | 3.68 | 3.06 |
| Prime Commercial Paper | 2.25 | 4.88 | 3.00 | 4.00 | 3.12 |
| Prime Commercial Loans | 3.50 | 5.25 | 4.12 | 4.75 | 4.12 |
| High Grade Corporate Bonds | 3.62 | 4.60 | 4.43 | 4.87 | 4.82 |
| Dow-Jones 40-Bond Index | 4.52 | 5.57 | 4.92 | 5.45 | 4.92 |

*9 months or longest maturity issue.

NOTES: 1. Except for February, 1961 month-end figures, the data shown above is taken from quotations reported about the middle of each month. Therefore, some variance with the actual daily high or low points may occur.

2. The Treasury Notes and Bonds bear interest coupons in a 2½% to 3¾% range.

SOURCES: "Barrons"; "The Wall Street Journal."

### TABLE II
**Stock Market Price Performances**

| Dow-Jones Averages | Weeks Ending— 10-25-60 $ | 2-28-61 $ | 4 Months Change % | Range —1960-1961— $ | $ | Month —Reached— High | Low |
|---|---|---|---|---|---|---|---|
| Industrials | 566.05 | 662.08 | Up 17.0 | 685.47 - | 566.05 | 1/60 | 10/60 |
| Railroads | 123.51 | 146.01 | Up 18.2 | 160.43 - | 123.37 | 1/60 | 9/60 |
| Utilities | 91.17 | 108.49 | Up 18.9 | 108.49 - | 85.02 | 2/61 | 2/60 |

SOURCE: "The Wall Street Journal."

### TABLE III
**Factors Determining Level of Stock Prices and Their Present Value in Relation to Other Periods**

Calculated Levels of DJIA Using Earnings and Ratio Variables

| Level of Earnings | Earnings Per Share | Price-Earnings Ratios 14 | 16 | *18 | 20 | 22 |
|---|---|---|---|---|---|---|
| 1954, 1958 | $28.00 | $392 | $448 | $504 | $560 | $626 |
| | 29.00 | 406 | 464 | 522 | .580 | 638 |
| | 30.00 | 420 | 480 | 540 | 600 | 660 |
| | 31.00 | 434 | 496 | 558 | 620 | 682 |
| | 32.00 | 448 | 512 | 576 | 640 | 704 |
| 1956, 1960 | 33.00 | 462 | 528 | 594 | 660 | 726 |
| 1959 | 34.00 | 476 | 544 | 612 | 680 | 748 |
| | 35.00 | 490 | 560 | 630 | 700 | 770 |
| 1955, 1957 | 36.00 | 504 | 575 | 648 | 720 | 792 |
| | 37.00 | 518 | 593 | 666 | 740 | 814 |
| | 38.00 | 532 | 609 | 684 | 760 | 836 |
| | 39.00 | 546 | 625 | 702 | 780 | 858 |
| | 40.00 | 560 | 640 | 720 | 800 | 880 |

*Probable normal P/E for 1961.

Mean Price-Earnings Ratio of DJIA

| Period— | Years | Ratio |
|---|---|---|
| Depression | 1934-39 | 18 |
| World War II | 1940-46 | 13 |
| Early Postwar | 1947-50 | 8 |
| Korean War | 1951-54 | 11 |
| Post Korea | 1955-57 | 14 |
| Recent | 1958-60 | 18 |

Impact of Depreciation Since 1947

| Corporate— | % Gain— 47-60 | 54-60 | 55-60 |
|---|---|---|---|
| Earnings after taxes | 28 | 38 | 1 |
| Cash flow | 95 | 52 | 19 |
| Depreciation | 325 | 68 | 45 |

NOTE: If the P/E ratio for the Recent Period were adjusted for the gain in cash flow since 1954, this ratio would now be 12 instead of 18. Net income after taxes plus depreciation equals cash flow.

#### The Stock Markets

*Recent Performances* — The changes in prices of the Dow-Jones Industrials, Railroads, and Utilities Averages during the current rally and the past 14 months are shown in Table II. The historical period covered by this Table was defined to show the developments bearing on the new economic environment and financial attitudes which have been evidenced thus far in the 1960s.

The general level of industrial stock prices has risen approximately 17% since late October. The most recent advances have been (1) accompanied by large volumes of daily trading—usually a sign of technical strength in the market; (2) broadly based in the sense that many issues in a wide variety of industries participated; and (3) sponsored by anticipation of an early economic recovery and, to a lesser extent, a renewed concern over the resumption of inflation. Having reached the 662 level by the end of February, 1961, the Dow Jones Industrials Average stood only 3% below its all time high.

Stocks with "defensive" characteristics (in the beverage, finance, food, insurance, retail, and other service industries) have enjoyed investor popularity and price increases—especially during the last four months. The electric utility equities have been in strong demand since the spring of 1960, and especially groups and companies with favorable earnings reports have faired well in the latest rise in stock prices. Although still below their old high points, most cyclical stocks have advanced well above their lowest levels for the 1959-1960 period.

*Criteria for Evaluating the Level of Stock Prices*—Table III has been prepared to show: (a) the calculated levels of the DJIA when the earnings per share and price-earnings ratios are varied in a wide number of combinations; (b) the actual valuation of the DJIA by investors during homogeneous periods of stock market history for the past 26 years; and (c) the impact of new depreciation practices and accelerated capital investment on corporate earnings and cash flow during selected periods of the post World War II era. A study of these and other factors suggest the following conclusions with respect to the present level of stock prices.

(1) Despite widely held opinions to the contrary, the DJIA was not "overpriced," when it sold in the 600-700 range for the past two years, if the growth in corporate cash flow is taken into account.

(2) Shifts in investors' appraisal of the outlook, which result in an alteration of the price-earnings ratios, tend to create a much more rapid change in stock prices than the actual movements in earnings. Consequently, wide swings in prices should normally be expected, and 1960's experience of only a 17% variation between the annual high and low price was unusual small.

(3) During the post World War II period, the year-to-year advances in the earnings per share of the DJIA averaged nearly 20% with the gains in three instances exceeding 30%. Therefore, it would seem proper to infer that an advance of 15%-25% in earnings above the 1960 level is possible and probable when the economy recovers in late 1961 or in 1962.

(4) Earnings of $40 per share on the DJIA would represent a 20%-25% advance from the levels reported for the past five years. If the stock market discounted this much of an increase at 18 or 20 times earnings, the DJIA would rise to a point somewhere between 720 and 800. This area should approximate the top side of any foreseeable market advance.

*Future Course*—Sometime during the early stages of the next economic recovery, the Dow Jones Industrials Average should break its present all time high of 685 and move into the 700-800 range. This conclusion is predicated upon the likelihood that reported earnings per share will rise to a new plateau in $38-$40 per share area; and that normal price-earnings ratios will remain in the neighborhood of 18 to 20 times earnings.

If the market had become "oversold" last Fall when the DJIA fell to 566, there would be good reason to feel that, as in comparable post World War II periods, the current rise of stock prices would carry on in a more or less uninterrupted manner to a new cyclical peak whenever the expansion phase of the economy showed signs of diminishing force. However, because new rises in stock prices must start from a base which is within 10%-15% of the next foreseeable top for the Dow Jones Industrials Average, it would seem probable that "corrections" are still in order for the large number of companies which may continue to experience earnings difficulties. Therefore, the period of alternating upward and downward movements in the prices of stocks which began in 1960 has not terminated, and indecisive price fluctuations will probably continue until the economy is strongly stimulated by favorable prospects for substantial profits advances which are not likely to develop during the first six months of 1961 — unless legislation is passed to reduce income tax burdens.

In summary, stock prices should continue to trade in the broad 540-700 range on the DJIA for the short term, but a potential exists for the average to move into the 700's in the second half of 1961 or in 1962. The normal price range for the next three months for the DJIA should be roughly 610-680.

This nation has avoided becoming involved in a major "hot" war for almost eight years. The multiplicity of potential trouble spots greatly heightens the danger of a new conflict. The trading range figures suggested in this discussion do not reflect the risk of a major break in stock prices if a shooting war develops.

## B. N. Frederic Opens

B. N. Frederic Associates, Inc. is conducting a securities business from offices at 377 Fifth Avenue, New York City.

# Leaseway Trans. Common All Sold

Hayden, Stone & Co. offered and sold on March 3, 150,000 shares of Leaseway Transportation Corp. common stock at $15. Of the sale, 75,000 shares were offered for the account of the company and 75,000 shares for the account of present stockholders. Company proceeds from the sale will be added to its general funds to expand its operations by acquisition or otherwise and to enhance its borrowing power. No part of the proceeds of the shares of selling stockholders will be received by the company.

Leaseway Transportation Corp., was incorporated in November, 1960, and in March, 1961 acquired the outstanding stock of 79 corporations. The company is primarily engaged in the long-term leasing of trucks and other commercial vehicles and the intrastate operation of trucks.

The company believes that, of companies engaged in its field, it is one of the four largest purchasers of commercial vehicles in the United States.

Leasing operations are carried on east of the Mississippi River and on the Pacific coast. The company owns approximately 6,700 vehicles, of which 5,200 are trucks, tractors and trailers.

For the three months ended Oct. 31, 1960 combined results of the 79 companies, acquired by Leaseway Transportation Corp. included total revenues of $6,872,000 and net of $413,000 equal to 34 cents per share, based on 1,199,142 shares, compared with revenues of $5,233,000 and net of $319,000 equal to 27 cents per share on the same number of shares for the three months ended Oct. 31, 1959. For the fiscal year ended July 31, 1960, revenues totaled $24,412,000 and net of $1,201,000 equal to $1 per share, on 1,199,142 shares outstanding compared with revenues of $18,956,000 and net of $1,105,000 equal to 92 cents per share on the same number of shares outstanding for the previous fiscal year ended July 31, 1959. The company's subsidiaries have retained substantially all their earnings to finance expansion and the management has no present plans for payment of cash dividends.

Pro forma capitalization of the company giving effect to the offering consists of $11,565,659 in debt and 1,274,142 shares of common stock, $1 par value.

## M. Eisenstein Opens

Morris S. Eisenstein is conducting a securities business from offices at 1440 Broadway, New York City.

## Isaac Freilich Opens

FAR ROCKAWAY, N. Y. — Isaac Freilich is engaging in a securities business from offices at 562 Cedar Hill Road.

## Form Media Inv. Co.

LOS ANGELES, Calif. — Media Investments Company has been formed with offices at 6381 Hollywood Boulevard to engage in a securities business. Jack L. Stoll is a principal of the firm.

## Hayden, Miller Adds

(Special to THE FINANCIAL CHRONICLE)

DAYTON, Ohio—Bruce M. Brower has become affiliated with Hayden, Miller & Co., 333 West First Street. He was formerly with Fred C. Yager Inc.

## With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Harlow Greenwood is now with Paine, Webber, Jackson & Curtis Union Commerce Building. He was formerly with Fulton, Reid & Co.

## AS WE SEE IT

*Continued from page 1*

Of course, every school child knows what the maps show as Africa and what the elementary geography text books describe under that heading. But that is no answer to our question.

### What Is "Africa"?

What nature placed in this area is one thing; what man has added to what nature created is quite another. There are in several places on that dark continent various types of enterprises placed there by human beings who were able to build them by reason of saving either on their own part or of others far removed from Africa. Is this part of "Africa" which now must be conceded to the Africans? It may be true that these enterprises have been erected upon land which belonged to Africans and upon terms and conditions which were wrung from Africans by subterfuge, force or simple exploitation of primitive minds.

But equally as much to the point are other matters of practical consequences to Africans. It is now quite generally conceded—outside Russia and the other Communist countries at any rate—that such properties should not be confiscated by Africans (or others as the case may be) but paid for at some reasonable rate. But who in "Africa" (or other similar places on the earth) is able to make any such payments or to give promises for the future that are worth very much? And who among these various peoples are able to operate such facilities in such a way that they will provide the profits necessary to their further growth, and to induce the inflow of savings from other parts of the world? It is thus seen that "Africa for the Africans," "Asia for the Asians," "Cuba for the Cubans" and in reality easy slogans without a great deal of practical meaning, except perhaps for propaganda purposes.

### Another Question

But there are other aspects of this matter, aspects of vital concern to the whole world, which are not even touched by such catchy but often empty slogans. Adlai Stevenson in the United Nations touched on one of them pointedly the other day when he said: "To the Soviet Union I would say: There are laws of history more profound, more inescapable than the laws dreamed up by Marx and Lenin—laws which belong not to class relationships or stages of economic development, but to the nature and the destiny of man himself. Among these laws is the certainty that war follows when new empires thrust into collapsing ruins of the old." Recorded history could be written in terms of the rise and fall of empires—empires built upon mass migrations of peoples, upon mass migration of capital and control of resources. They have usually precipitated wars, less between the exploited and the exploiters than among the exploiters themselves. We fancy that we have now arrived at a time when there will be no more exploitation, no empire building on the old bases. The *status quo,* so far as the occupancy of land is concerned, is to be made permanent and occupants are to be conceded full control of the land they occupy and all that is on it.

### A Real World

It may be an admirable concept. But this is a real world in which we live and that real world is inhabited by human beings with about the same shortcomings they have always had. Such a concept would, if given practical effect, have had vastly different consequences depending upon when it was adopted. Think of the meaning of such a slogan as America for the Americans in the early part of the seventeenth century! Of course, in those days no one would have paid it the least heed. The question is whether mankind is really willing to live by it in the twentieth century—all mankind, that is, or a sufficiently preponderant part of it to be certain that it actually is effective. And that is much more of a question than is commonly supposed. We say that we have no interest in any sort of imperialist venture—and we are sincere in what we say. But we also say that we must supply backward peoples with capital and various other assets such as know-how. Only such of these contributions will be of lasting value which are placed upon a strictly business basis—and can they be placed upon such a basis without a considerable degree of what is now regarded by many backward peoples as a relic of "colonialism"? That is a vital question.

But another pertinent question is really quite an old one, in but slightly disguised form. If we do not do for these peoples what they want and expect—and, of course, we can not do it all ourselves—will not other peoples and powers proceed to fill the vacuum as in the past even if the form or procedures are different? There are a number of the older colonial powers which now are accumulating capital again. Whether they have dreamed the same dreams that have come to us is something of a question. And communistically organized and controlled countries have wholly different ideas which do not fit into our concepts at all! "Africa for the Africans" and the other forms of the same general idea may be good propaganda, but they hardly solve very many practical problems.

# Our Balance of Payments Problem and World Liquidity

*Continued from page 3*

clearly is involved—to exercise restraint in responding to a differential in foreign interest rates, particularly when the gains are incidental to a company's main business, and loom relatively small on the income statement. Here, as in so many areas, the business community has an opportunity, even an obligation, to lead the nation in a rational pattern of behavior consistent with our growing role in the world.

A return of short-term funds, which is bound to come sooner or later, will, of course, temporarily help our balance of payments. But this will only tend to conceal the real problem, just as last year's outflow tended to exaggerate it. Assuming our favorable trade balance continues at the present level, we will still have a hard-core deficit in our balance of payments in the neighborhood of $1½ to $2 billion a year. In view of the fact that our cumulative deficit in the past 10 years amounted to $17 billion, this continuing hard-core deficit is too large. We should aim to eliminate it altogether—or at least to keep it within modest proportions.

I know many are familiar with the basic cause of this deficit—the fact that our favorable trade balance, large as it is, still is not great enough to finance the very sizable military, political and economic commitments we have abroad. One of the major outlays, of course, is the $3 billion we spend on the maintenance and support of military establishments in other countries. Another is the $2½ billion or so of private foreign investment by American business, and still a third is our foreign economic aid, including government loans, which also amounts to $2½-$3 billion.

### Foreign Economic Aid Essential

There has been much public debate on this economic aid; but I believe more often than not it has generated more heat than light. There are those who would solve the imbalance in our payments by going after such aid with a broad-edged axe. I personally would be opposed to such action, as a serious disservice to our national interest. It is a political fact of life, in this divided world we live in, that a wrecking of our foreign aid program would gravely threaten the strength—and darken the hopes—of free nations throughout the world. On the balance sheet of history, there is no economic gain that weighs more than such a loss. Even in strictly economic terms, however, there is sound argument against such measures. The fact is that slashing our economic aid would cut away only a small part of our payments deficit. Most aid today—approximately 80% — is tied to exports of goods and services, rather than dollars. To cut back on aid would be merely to cut back on exports—and hence would be self-defeating. Although this linking of economic aid directly to exports runs counter to the trade policy we should like to see, I believe that, under present circumstances, the United States has no other alternative. President Eisenhower headed in that direction over the past two years, and the new Administration indicates that it plans to carry on in the same manner.

The best way, of course, to solve our payments problem is further to expand exports. No one will quarrel with that. Nor is any one likely to disagree with the obvious corollary: that to expand exports we need to cut costs, to become more competitive in world markets, and above all, to keep our economic house, here at home, in good order. These are all appealing sentiments, and it is easy to voice them. It's a much tougher proposition to carry them out. All I can say is that the responsibility falls on people in the business community. It's not something that can be pushed on to the next fellow or turned over to government.

### Longer Export Credit Terms

At Chase Manhattan, we have been conscious of this problem and are exploring ways to give constructive help. Our primary business as commercial bankers, is, of course, to provide our customers with short-term credit. We know, however, that certain types of exports require longer-term financing which is not as readily available on favorable terms for American manufacturers as it is for manufacturers in certain other countries, such as Canada, Britain, France and Germany. This is the case particularly with respect to medium-term credits to finance exports of machinery, equipment and other capital goods. The provision of such credit obviously involves unusual and added risks. It might be expected that the commercial banks would be prepared to provide this type of credit if adequate guarantees or insurance were available. In point of fact, however, we are already so heavily committed with domestic term loans, that even if the hazards of lending abroad were eliminated, it is doubtful that most commercial banks would be in a position to expand to any considerable extent credits on exports, which tie up funds for periods of from three to seven years.

### Favors Export Finance Companies

I am convinced that to generate this kind of credit in sufficient volume on the order, say, of a billion dollars a year, our great institutional investors — such as the insurance companies, the pension funds, and the savings banks—must be induced to co-operate. They, rather than the commercial banks, have the requisite funds available for longer-term lending. But they will make such investments only if the extraordinary risks frequently encountered in export financing are covered by a reasonable guarantee, probably by our government, and if they are not required to handle the credit investigations, the servicing and the collections for which they have no facilities. What is needed is an arrangement that will result in bringing together institutional funds (under an appropriate government guarantee) with the international banking facilities and services of the major commercial banks. I believe this could best be accomplished through the establishment of specialized export finance companies which might be organized as subsidiaries of commercial banks. The whole problem is one we in Chase are currently exploring, and I'm happy to say that the government is taking an active interest in examining it with us.

I wish that we could rely completely on a further increase in exports to solve our balance of payments problem. Unfortunately, this would be unrealistic. Our trade balance already is large, and though we can and should stretch it further, there is a logical limit. To try to press beyond this would undoubtedly call forth vigorous counter-reaction by competitors in world markets. Of course, there are several additional steps that can be taken. For example, the expansion of tourism in our own country, and the removal of foreign restrictions on the flow of capital into the United States. And yet—in the final analysis—I doubt whether all of these together will be enough to bring our international payments into balance.

### Two-Way Street

If this is so, we must examine two further areas: first, whether the movement of long-term private capital abroad should be curbed; and secondly, whether our large military expenditures abroad could be reduced. To choose between these alternatives, if indeed a choice were required, would pose a most unwelcome task. Certainly, we all would want to avoid to the end, if possible, the imposition of exchange controls on private capital. The United States has never had such controls in peacetime, and they run completely counter to the type of economic world we are striving for. Moreover, it is imperative to realize that what we have done in the past to build up our investment abroad acts today as a favorable factor in our balance of payments. Last year the inflow of earnings from these investments (not counting earnings reinvested abroad) amounted to almost $3 billion—a larger sum, actually, then our investment of new capital abroad in the same period. And yet, in spite of all this, I don't suppose anyone would hesitate to place controls on private capital, if the only alternative were to weaken seriously the national security of our country.

This leads us directly to one of the toughest elements to gauge in our whole balance of payments problem. Just how essential are our military expenditures, and is it necessary for the United States to carry so great a burden as we now carry? It is almost impossible for anyone not involved in the military picture to judge whether total outlays in this field can be reduced — and, indeed, the military services themselves divide on the question. And yet one thing seems clear: the world is now entering another period of revolutionary technology in the art of defense and aggressive warfare. It would appear that future emphasis will be placed on long-range missiles rather than on manned aircraft. In these circumstances, one might hope that over a period of time the revolutionary changes now underway would tend to reduce the size and cost of our overseas forces.

In the meantime, certain steps which would reduce our military expenditures abroad could be taken fairly quickly, if necessary. For example, a reduction in the purchase of supplies from local sources, with a possible saving of as much as $200 million annually was ordered by President Eisenhower and has been sustained by President Kennedy. With a total bill for supplies purchased overseas by the military probably exceeding $1 billion in 1960, it would seem possible, if need be, to shift a still larger proportion of our buying to United States sources.

### Allies Must Share Costs

Since the common cause of all free nations is at stake, it also seems reasonable to hope that our allies might absorb a part of the present dollar cost of our common defense. This particularly should be the case with respect to Germany, which devotes only about 5% of its national product to defence, as against 10% in our own country. The reports of the recent meeting between President Kennedy and Foreign Minister Von Brentano were encouraging in their recognition of the broad principle—that the large surplus which Germany has been running on its balance of payments has a bearing on our deficit, and that neither their surplus nor our deficit is good for the sound health of the Free World as a whole. Germany's agreement to provide foreign aid on a continuing basis (although not yet clearly spelled out) and her recent plan for an upward revaluation of the mark, both could contribute toward an improvement in this situation.

Still more progress, however, should be possible with regard to military expenditures. These run to $650 million or more a year in Germany alone. All of us can recognize strong objections to Germany financing the pay and living costs of American troops. But there are also German nationals who work in support of the American forces; and our forces use German railroads, telegraph, and other facilities. Why should not Germany offer such manpower and facilities as a contribution to our mutual defense in which she clearly has such a vital interest?

The serious settling of these problems requires a vision broader than any simple bilateral view between the United States and Germany. The issues at stake involve not only balance of payments considerations. They also get into the thorny question of how the burden of economic and military aid should be shared. It would be manifestly unfair to single out Germany exclusively in this regard, for the United States pays out dollars for the use of facilities in many countries of Western Europe and all must participate, in varying degrees, in the solution of our common problem.

We sometimes forget that the allocation of mutual costs for defense was set, for the most part, in the early '50s, at a time when the world had a serious dollar shortage, and when Western European economics were still recovering from the ravages of war. Now the whole picture has changed, and it is time for a fresh look at the whole situation—a look that can best be carried out through organizations like NATO and the newly propsed OECD. The fact is that, in concert, the nations of the West should be able to meet all their commitments, both military and economic, without undue strain on the balance of payments of any single member, including the United States. But to do so, there must be a genuine desire to work together, based on mutual understanding and recognition of common interests. This is a job for quiet diplomacy and patient negotiation.

As I suggested earlier, however, the deficit in our foreign payments is not the sole problem that confronts us. We have in addition the question of the adequacy of the monetary system of the Free World to provide sufficient liquidity for the growing volume of trade and to protect key currencies like the dollar and the pound from extreme pressures—pressures which are induced by economic and psychological developments, often intensified by speculators.

### Burden on the Dollar

I doubt whether many people who are not specialists in these matters realize what a dominant role the dollar has come to fill in the postwar years. To a large extent, it has come to replace the pound sterling as a store of value accumulated and held by nations in all corners of the world who do not wish to hold gold for this purpose. Today other countries through their citizens, businesses, and official institutions, hold more than $19 billion worth of liquid dollar assets here in the United States, in the form of bank deposits, Treasury bills and other short-term instruments. If we are to fulfill our role as a central reserve currency, these dollar holdings must be considered as safe as gold. Indeed, some $12 billion of them, representing central bank reserves, are immediately redeemable into gold.

Large reserves such as those we have described are essential to the smooth functioning of our international monetary system. The British still play a similar role with their sterling balances, although now on a more modest scale. But, as the British discovered a long time ago, the responsibility of being a reserve currency center has its drawbacks, as well as its compensations. A country fulfilling such a role has to be as far above reproach as Caesar's wife. Once its fiscal virtue is doubted, rightly or wrongly, the damage could be fatal. There can be, in a word, a run on the bank, threatening the country's international solvency.

There are those who feel that such pressure is all to the good, for it places a certain discipline on the United States to lead a sound, conservative economic life, and indeed there is much merit to this argument. But the trouble is that, during periods of economic recession at home, countercyclical measures, which are perfectly sound from a domestic point of view, may run contrary to our interests as a central reserve currency country. At such a time, events outside our own control may buffet us — and drive the creditors clamoring to our doorstep. Even our own citizens may be induced to move their belongings abroad. No better illustration of this dilemma is needed than the pattern of recent events, when we found ourselves afflicted with a moderate recession, took a dose of easier money to cure it, and soon began reaping the whirlwind.

It is a fact of life that in a modern, industrial society, every nation needs a certain freedom of maneuver for its domestic economic policy. What is required of international finance is a system that will permit this, while affording the flexibility, liquidity and safety, that is needed in a world currency.

The international monetary mechanism as it now stands is clearly inadequate. It places too heavy a burden on the dollar and the pound, and it restricts action on the domestic scene, often at the expense of American and British citizens.

### The Triffin Plan

More and more this fact is gaining recognition among economists, bankers and government officials. A number of proposals have now been put forward to rectify it. Perhaps the most far-reaching of these is the so-called Triffin Plan, developed by Professor Robert Triffin of Yale University.

Prof. Triffin would transform the present International Monetary Fund into what, in effect, would be a super-central bank. He would set up procedures to lead member countries eventually to transfer most of their official dollar, pound and other foreign currency balances into the Fund. In addition, they could make a further transfer of gold. For all of this, they would receive deposits in the Fund. Most nations would then hold the bulk of their official foreign exchange reserves in the form of deposits with the Monetary Fund, and the Fund would hold as assets both gold and liquid claims on other nations. In the case of the dollar, for example, the Fund might eventually take over most of the $12 billion of Treasury bills, time deposits and other liquid assets now held by foreign central banks. The Fund would earn interest on such assets, but it also would pay out interest to the central banks on their deposits with it.

A unique feature of the Triffin Plan would be the ability of the Monetary Fund to "create deposits," if necessary, under certain strict rules and procedures. In doing this, the Fund would provide added foreign exchange to countries needing it—exchange in a form acceptable to most other nations. Thus, the Fund would become in the international field a "lender of last-resort," just as the Federal Reserve System is in the United States today.

There seems to me much far-seeing sense in Prof. Triffin's proposal, but it does involve the extreme measure of turning over to a central organization immense resources and power — indeed a share of our national sovereignty. Among other features, there is one that might make the United States in particular take pause. For the Plan would require all member nations to give an exchange rate guarantee, in terms of the relation of their own currency to gold, on all assets of their country held by the Monetary Fund. In essence, this means that the United States would guarantee the gold content of the dollar, insofar as Monetary Fund holdings were concerned. We certainly would hope and expect that the price of gold would not be raised, and there is no earthly reason for such a step in the foreseeable future. Yet one hesitates to write a blank check for future generations on a matter not completely in our own control.

Much that the Triffin Plan calls for could be accomplished, I believe, in other, more simple ways. The least complicated method, if it did not encounter serious obstacles, would merely involve an agreement among major central banks to hold each other's currencies under certain conditions, rather than demand gold. Unfortunately, such an agreement runs counter to present policies and regulations of many central banks, and it is highly doubtful that we could expect its adoption. As a practical matter, I believe we may do best to look to the Monetary Fund in its present form for more effective help — making only moderate changes in its rules and procedures. This may not provide the ultimate answer, but it would go a long way toward meeting the immediate dilemma.

### Borrow From Monetary Fund

In line with this proposal, the United States itself might do well to contemplate borrowing freely from the Fund at an appropriate moment. Under existing rules, we have a theoretical capacity to borrow as much as $5½ billion I use the term "theoretical," because the Fund at this stage doesn't posses the equivalent of $5½ billion of the types of currencies the United States would require. And, of course, no one would really expect us to borrow as much as $5½ billion. There is no reason, however, why we shouldn't go to the Fund as a routine matter for as much as $1 billion, since that is approximately the amount of gold which the United States paid into the Fund. Such a borrowing would carry only a small service charge, and it should arouse no concern. At the same time, the Fund ought to use currencies other than the dollar in making new loans to deficit countries. For example, if the British have to borrow again, they might borrow in marks rather than in dollars.

If the Fund is to buttress the dollar against extreme swings, it will need to have at its command larger supplies of other currencies. It has been proposed by E. M. Bernstein, former Director of Research of the Fund, that the Fund be given the right to borrow automatically currencies of member countries which are running a surplus. This is a very simple proposal that makes a lot of sense. It would assure a greater degree of flexibility for the Fund, and put it in a better position to deal with emergencies.

One over-riding conclusion emerges from any consideration of these twin problems of the balance of payments and the gold outflow; that is the need not only for discipline at home, but for understanding and co-operation from other peoples, particularly those of the West. The United States would find it very difficult to erase the deficit in its foreign payments by acting alone—especially where heavy commitments for mutual defense and aid are involved. By the same token, if we are to realize stability in world currency arrangements, mutual restraint and co-ordinated action are imperative

For this reason, I share Douglas Dillon's belief in the great importance of OECD, the newly proposed Organization for Economic Co-operation and Development. In OECD, as well as NATO, we have forums where many of these matters can be faced, where politics can be co-ordinated, and where burdens can be shared.

There is more here, then, than a gold outflow or payments deficit to challenge us.

These matters challenge our wisdom, our patience, and the sense of common purpose binding all free peoples.

We can never respond by retreat. For isolation means evasion.

We can never respond by panic. For no strength is born of fear.

We can respond only by acting —ourselves and with our allies— in a manner both mature and imaginative, to show the world the capacity of free nations to think anew and to act together.

*An address by Mr. Rockefeller before the Economic Club of New York, March 7, 1961.

## Win Puerto Rico Bond Issue

**A banking group headed by the First National City Bank of New York; The Chase Manhattan Bank; The Chemical Bank New York Trust Company; The Morgan Guaranty Trust Company and Ira Haupt & Co., was awarded an issue of $40,000,000 Commonwealth of Puerto Rico Bonds, Tuesday, March 7. Shown left to right, seated: John W. De Milhau, Vice-President, Chase Manhattan Bank; Francis Bowen, Senior Vice-President, Government Development Bank for Puerto Rico; Jose R. Noguera, Secretary of the Treasury of Puerto Rico and George E. Barnett, Vice-President, First National City Bank; standing left to right: Donald C. Patterson, Vice-President, Chemical Bank New York Trust Company and William G. Carrington, Jr., Partner of Ira Haupt & Company.**

# 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) | Mar. 12 | 54.0 | 54.0 | 52.0 | 91.1 |
| Equivalent to— | | | | | |
| Steel ingots and castings (net tons) | Mar. 12 | 1,580,000 | 1,582,000 | 1,524,000 | 2,654,000 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | Feb. 24 | 7,207,460 | 7,166,910 | 7,197,910 | 7,294,760 |
| Crude runs to stills—daily average (bbls.) | Feb. 24 | 8,376,000 | 8,447,000 | 8,401,000 | 8,108,000 |
| Gasoline output (bbls.) | Feb. 24 | 28,794,000 | 28,689,000 | 29,480,000 | 28,633,000 |
| Kerosene output (bbls.) | Feb. 24 | 2,764,000 | 2,917,000 | 3,113,000 | 2,032,000 |
| Distillate fuel oil output (bbls.) | Feb. 24 | 15,725,000 | 15,935,000 | 15,001,000 | 13,188,000 |
| Residual fuel oil output (bbls.) | Feb. 24 | 6,933,000 | 6,170,000 | 6,676,000 | 6,930,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe lines— | | | | | |
| Finished and unfinished gasoline (bbls.) at | Feb. 24 | 221,098,000 | 218,003,000 | 209,954,000 | 215,623,000 |
| Kerosene (bbls.) at | Feb. 24 | 23,805,000 | 23,944,000 | 28,375,000 | 21,878,000 |
| Distillate fuel oil (bbls.) at | Feb. 24 | 96,716,000 | 97,329,000 | 115,571,000 | 108,815,000 |
| Residual fuel oil (bbls.) at | Feb. 24 | 43,147,000 | 42,777,000 | 44,391,000 | 45,299,000 |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | Feb. 25 | 468,482 | 502,334 | 476,403 | 553,882 |
| Revenue freight received from connections (no. of cars) | Feb. 25 | 475,059 | 492,804 | 445,210 | 526,608 |
| **CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:** | | | | | |
| Total U. S. construction | Mar. 2 | $405,600,000 | $397,200,000 | $346,400,000 | $505,600,000 |
| Private construction | Mar. 2 | 244,600,000 | 225,100,000 | 176,700,000 | 266,200,000 |
| Public construction | Mar. 2 | 161,000,000 | 172,100,000 | 169,700,000 | 239,400,000 |
| State and municipal | Mar. 2 | 117,400,000 | 145,200,000 | 148,100,000 | 202,200,000 |
| Federal | Mar. 2 | 43,600,000 | 27,000,000 | 21,600,000 | 37,200,000 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | Feb. 25 | 6,575,000 | *7,330,000 | 7,025,000 | 8,496,000 |
| Pennsylvania anthracite (tons) | Feb. 25 | 445,000 | 430,000 | 419,000 | 370,000 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100** | Feb. 25 | 122 | 115 | 103 | 110 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | Mar. 4 | 14,226,000 | 14,239,000 | 15,072,000 | 14,370,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | Mar. 2 | 408 | 348 | 368 | 299 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | Feb. 27 | 6.196c | 6.196c | 6.196c | 6.196c |
| Pig iron (per gross ton) | Feb. 27 | $66.44 | $66.44 | $66.44 | $66.41 |
| Scrap steel (per gross ton) | Feb. 27 | $34.50 | $33.50 | $31.83 | $34.50 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | Mar. 1 | 28.600c | 28.600c | 28.600c | 32.725c |
| Export refinery at | Mar. 1 | 27.650c | 27.475c | 27.725c | 31.275c |
| Lead (New York) at | Mar. 1 | 11.000c | 11.000c | 11.000c | 12.000c |
| Lead (St. Louis) at | Mar. 1 | 10.800c | 10.800c | 10.800c | 11.800c |
| ‡Zinc (delivered) at | Mar. 1 | 12.000c | 12.000c | 12.000c | 13.500c |
| Zinc (East St. Louis) at | Mar. 1 | 11.500c | 11.500c | 11.500c | 13.000c |
| Aluminum (primary pig, 99.5%) at | Mar. 1 | 26.000c | 26.000c | 26.000c | 26.000c |
| Straits tin (New York) at | Mar. 1 | 101.625c | 101.625c | 101.875c | 100.750c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Mar. 7 | 89.23 | 88.96 | 88.69 | 84.79 |
| Average corporate | Mar. 7 | 88.13 | 88.13 | 87.32 | 84.17 |
| Aaa | Mar. 7 | 92.79 | 92.79 | 91.77 | 88.27 |
| Aa | Mar. 7 | 90.91 | 90.77 | 89.92 | 86.38 |
| A | Mar. 7 | 87.59 | 87.45 | 86.91 | 83.66 |
| Baa | Mar. 7 | 81.90 | 81.90 | 81.29 | 78.66 |
| Railroad Group | Mar. 7 | 84.81 | 84.81 | 84.55 | 81.90 |
| Public Utilities Group | Mar. 7 | 89.64 | 89.37 | 88.40 | 84.17 |
| Industrials Group | Mar. 7 | 90.06 | 90.66 | 88.09 | 86.38 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Mar. 7 | 3.65 | 3.68 | 3.71 | 4.05 |
| Average corporate | Mar. 7 | 4.55 | 4.55 | 4.61 | 4.85 |
| Aaa | Mar. 7 | 4.22 | 4.22 | 4.29 | 4.54 |
| Aa | Mar. 7 | 4.35 | 4.36 | 4.42 | 4.68 |
| A | Mar. 7 | 4.59 | 4.60 | 4.64 | 4.89 |
| Baa | Mar. 7 | 5.03 | 5.03 | 5.08 | 5.30 |
| Railroad Group | Mar. 7 | 4.80 | 4.80 | 4.82 | 5.03 |
| Public Utilities Group | Mar. 7 | 4.44 | 4.46 | 4.53 | 4.85 |
| Industrials Group | Mar. 7 | 4.41 | 4.41 | 4.48 | 4.68 |
| **MOODY'S COMMODITY INDEX** | Mar. 7 | 367.8 | 367.3 | 362.3 | 370.6 |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | Feb. 25 | 314,694 | 282,504 | 297,119 | 307,798 |
| Production (tons) | Feb. 25 | 305,151 | 298,124 | 310,328 | 308,026 |
| Percentage of activity | Feb. 25 | 89 | 87 | 90 | 91 |
| Unfilled orders (tons) at end of period | Feb. 25 | 399,320 | 389,973 | 388,200 | 441,069 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100** | Mar. 3 | 110.80 | 110.97 | 110.66 | 110.77 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | Feb. 10 | 3,419,640 | 3,573,940 | 3,107,590 | 2,043,210 |
| Short Sales | Feb. 10 | 707,440 | 830,810 | 609,940 | 277,650 |
| Other sales | Feb. 10 | 2,681,500 | 2,826,300 | 2,767,140 | 1,764,990 |
| Total sales | Feb. 10 | 3,388,940 | 3,657,110 | 3,377,080 | 2,042,640 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | Feb. 10 | 530,340 | 427,730 | 437,000 | 397,150 |
| Short Sales | Feb. 10 | 53,700 | 74,800 | 45,600 | 34,700 |
| Other sales | Feb. 10 | 405,830 | 396,000 | 431,520 | 340,700 |
| Total sales | Feb. 10 | 459,530 | 470,800 | 477,120 | 375,400 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | Feb. 10 | 954,752 | 1,060,020 | 983,460 | 704,910 |
| Short Sales | Feb. 10 | 178,250 | 251,860 | 132,220 | 237,170 |
| Other sales | Feb. 10 | 1,011,174 | 1,096,680 | 1,064,580 | 769,910 |
| Total sales | Feb. 10 | 1,189,424 | 1,348,540 | 1,196,800 | 1,007,080 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | Feb. 10 | 4,904,732 | 5,061,690 | 4,528,050 | 3,145,270 |
| Short Sales | Feb. 10 | 939,390 | 1,157,470 | 787,760 | 549,520 |
| Other sales | Feb. 10 | 4,098,504 | 4,318,980 | 4,263,240 | 2,875,600 |
| Total sales | Feb. 10 | 5,037,894 | 5,476,450 | 5,051,000 | 3,425,120 |
| **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 | Feb. 10 | 2,363,116 | 2,699,047 | 2,409,760 | 1,760,240 |
| Dollar value | Feb. 10 | $118,942,380 | $138,631,125 | $118,129,733 | $83,328,951 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—Customers' total sales | Feb. 10 | 2,493,142 | 2,502,156 | 2,160,538 | 1,294,343 |
| Customers' short sales | Feb. 10 | 11,241 | 11,576 | 14,059 | 18,227 |
| Customers' other sales | Feb. 10 | 2,481,901 | 2,490,580 | 2,146,479 | 1,276,116 |
| Dollar value | Feb. 10 | $116,733,341 | $118,594,515 | $103,199,337 | $62,103,373 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | Feb. 10 | 771,270 | 686,100 | 587,830 | 274,810 |
| Short Sales | Feb. 10 | ------ | ------ | ------ | ------ |
| Other sales | Feb. 10 | 771,270 | 686,100 | 587,830 | 274,810 |
| Round-lot purchases by dealers—Number of shares | Feb. 10 | 631,940 | 912,700 | 836,310 | 733,960 |
| **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 | Feb. 10 | 1,173,760 | 1,326,570 | 1,066,960 | 777,960 |
| Other sales | Feb. 10 | 22,782,180 | 24,159,030 | 22,149,040 | 3,032,960 |
| Total sales | Feb. 10 | 23,955,940 | 25,485,600 | 23,216,000 | 13,810,920 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | Feb. 28 | 119.8 | *119.8 | 120.0 | 119.4 |
| Farm products | Feb. 28 | 88.5 | 89.3 | 90.5 | 87.7 |
| Processed foods | Feb. 28 | 109.9 | 109.9 | 109.7 | 106.7 |
| Meats | Feb. 28 | 96.7 | 96.9 | 93.0 | 94.6 |
| All commodities other than farm and foods | Feb. 28 | 128.2 | *128.1 | 128.2 | 128.5 |

*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 |
|---|---|---|---|
| **ALUMINUM (BUREAU OF MINES):** | | | |
| Production of primary aluminum in the U. S. (in short tons)—Month of December | 165,504 | 161,208 | 162,996 |
| Stocks of aluminum (short tons) end of Dec. | 259,511 | 257,061 | 111,638 |
| **AMERICAN TRUCKING ASSOCIATION, INC.—** Month of December: | | | |
| Intercity general freight transport by 344 carriers (in tons) | 4,354,528 | 4,818,280 | 4,915,586 |
| **AMERICAN ZINC INSTITUTE, INC.—**Month of November: | | | |
| Slab zinc smelter output all grades (tons of 2,000 pounds) | 60,841 | 63,005 | 62,346 |
| Shipments (tons of 2,000 pounds) | 68,980 | 65,183 | 77,440 |
| Stocks at end of period (tons) | 182,149 | 190,288 | 176,157 |
| **CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS RECORD — Month of February (000's omitted):** | | | |
| Total U. S. construction | $1,360,000 | $1,661,000 | $1,402,000 |
| Private construction | 747,000 | 785,000 | 779,000 |
| Public construction | 613,000 | 876,000 | 623,000 |
| State and municipal | 525,000 | 641,000 | 505,000 |
| Federal | 88,000 | 235,000 | 118,000 |
| **COAL EXPORTS (BUREAU OF MINES)—** Month of December: | | | |
| U. S. exports of Pennsylvania anthracite (net tons) | 110,010 | 175,828 | 152,741 |
| To North and Central America (net tons) | 78,122 | 126,640 | 110,590 |
| To Europe (net tons) | 31,888 | 40,013 | 42,146 |
| To South America (net tons) | ------ | 8,817 | 5 |
| To Asia (net tons) | ------ | 352 | ------ |
| Undesignated (net tons) | ------ | ------ | ------ |
| **COKE (BUREAU OF MINES)—**Month of Dec.: | | | |
| Production (net tons) | 3,428,550 | *3,537,680 | 6,163,300 |
| Oven coke (net tons) | 3,376,725 | *3,487,070 | 6,070,900 |
| Beehive coke (net tons) | 51,825 | 50,610 | 92,400 |
| Oven coke stocks at end of month (net tons) | 4,757,579 | 4,706,550 | 4,672,202 |
| **COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—** As of January 31 (000's omitted) | $1,404,000 | $1,252,000 | $664,000 |
| **COPPER INSTITUTE—**For Month of January: | | | |
| Copper production in U. S. A.— | | | |
| Crude (tons of 2,000 pounds) | 108,515 | *111,777 | 76,384 |
| Refined (tons of 2,000 pounds) | 144,697 | 152,211 | 86,491 |
| Delivered to fabricators— | | | |
| In U. S. A. (tons of 2,000 pounds) | 99,794 | 91,163 | 102,829 |
| Refined copper stocks at end of period (tons of 2,000 pounds) | 144,132 | 139,272 | 68,550 |
| **METAL PRICES (E. & M. J. QUOTATIONS)—** February: | | | |
| Copper— | | | |
| Domestic refinery (per pound) | 28.600c | 29.057c | 32.976c |
| Export refinery (per pound) | 27.040c | 26.746c | 31.994c |
| ††London prompt (per long ton) | £223.619 | £220.030 | £263.869 |
| ††Three months, London (per long ton) | £224.550 | £220.637 | £245.875 |
| Lead— | | | |
| Common, New York (per pound) | 11.000c | 11.000c | 12.000c |
| Common, East St. Louis (per pound) | 10.800c | 10.800c | 11.800c |
| ††London, prompt (per long ton) | £65.334 | £63.798 | £73.863 |
| ††Three months, London (per long ton) | £66.300 | £64.920 | £73.774 |
| Zinc— | | | |
| East St. Louis (per pound) | 11.500c | 11.529c | 13.000c |
| §§Prime Western, delivered (per pound) | 12.000c | 12.029c | 13.500c |
| ††London, prompt (per long ton) | £82.763 | £79.140 | £88.857 |
| ††London, three months (per long ton) | £81.966 | £78.452 | £88.920 |
| Silver and Sterling Exchange— | | | |
| Silver, New York (per ounce) | 91.375c | 91.375c | 91.375c |
| Silver, London (per ounce) | 79.625d | 79.375d | 79.500d |
| Sterling Exchange (check) | $2.79991 | $2.80641 | $2.80329 |
| Tin, New York Straits | 101.042c | 100.408c | 101.000c |
| Gold (per ounce U. S. price) | $35.000 | $35.000 | $35.000 |
| Quicksilver (per flask of 76 pounds) | $208.056 | $209.000 | $212.211 |
| 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 | 28.100c |
| 99% grade primary pig export | 23.250c | 23.250c | 26.000c |
| **Nickel | 74.000c | 74.000c | 74.000c |
| Bismuth (per pound) | $2.25 | $2.25 | $2.25 |
| Platinum, refined (per pound) | $82.000 | $82.000 | $82.000 |
| Cadmium (per pound, delivered ton lots) | $1.50000 | $1.50000 | $1.40000 |
| (Per pound, small lots) | $1.60000 | $1.60000 | $1.50000 |
| Cobalt, 97% grade (per pound) | $1.50000 | $1.50000 | $1.75000 |
| **NEW YORK STOCK EXCHANGE—** As of Jan. 31 (000's omitted): | | | |
| Member firms carrying margin accounts— | | | |
| Total customers' net debit balances | $3,330,000 | $3,317,000 | $3,333,000 |
| Credit extended to customers | 77,000 | 95,000 | 124,000 |
| Cash on hand and in banks in U. S. | 413,000 | 390,000 | 366,000 |
| Total of customers' free credit balances | 1,269,000 | 1,135,000 | 998,000 |
| Market value of listed bonds | 107,980,508 | 108,256,818 | 106,287,439 |
| Market value of listed shares | 326,598,425 | 306,967,079 | 287,976,727 |
| Member borrowings on U. S. Govt. issues | 670,000 | 825,000 | 363,000 |
| Member borrowings on other collateral | 2,069,000 | 2,334,000 | 2,357,000 |
| **PORTLAND CEMENT (BUREAU OF MINES)—** Month of October: | | | |
| Production (barrels) | 31,449,000 | 31,130,000 | 31,127,000 |
| Shipments from mills (barrels) | 32,931,000 | 33,601,000 | 32,282,000 |
| Stocks at end of month (barrels) | 28,725,000 | 30,509,000 | 23,913,000 |
| Capacity used (per cent) | 87 | 89 | 89 |
| **RAILROADS EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—**Month of December: | | | |
| Total operating revenues | $731,516,764 | $756,526,848 | $845,662,161 |
| Total operating expenses | 613,594,319 | 603,416,824 | 654,579,411 |
| Taxes | 53,734,603 | 75,873,631 | 88,788,597 |
| Net railway operating before charges | 34,288,798 | 47,011,817 | 76,587,943 |
| Net income after charges (estimated) | 53,000,000 | 34,000,000 | 94,000,000 |
| **SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—** Month of November: | | | |
| Net railway operating income | $47,011,815 | $69,781,938 | $56,264,377 |
| Other income | 28,152,514 | 25,975,729 | 25,121,239 |
| Total income | 75,164,329 | 95,757,667 | 81,385,616 |
| Miscellaneous deductions from income | 5,763,398 | 5,627,642 | 5,017,914 |
| Income available for fixed charges | 69,400,931 | 90,130,025 | 76,367,702 |
| Total fixed charges | 31,488,235 | 31,407,412 | 31,501,082 |
| Income after fixed charges | 37,912,696 | 58,722,613 | 44,866,620 |
| Other deductions | 3,979,101 | 3,905,850 | 4,213,957 |
| Net income | 33,933,595 | 54,816,763 | 40,652,663 |
| Depreciation (way & structure & equipment) | 52,801,646 | 52,805,062 | 51,699,943 |
| Federal income taxes | 11,884,823 | 23,026,322 | 13,221,464 |
| Dividend appropriations: | | | |
| On common stock | 58,266,637 | 33,885,741 | 75,973,373 |
| On preferred stock | 4,213,263 | 1,407,755 | 6,983,307 |
| Ratio of income to fixed charges | 2.20 | 2.87 | 2.42 |

*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 Colborne, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

# STATE OF TRADE AND INDUSTRY

*Continued from page 5*

in sight at this time. One mill's February automotive tonnage was 15 to 20% lower than in January, with no improvement expected in March.

To make matters worse, automakers are still trying to adjust their steel inventories. They are the exception to the rule that inventory cutbacks are at an end. Cutbacks in production schedules have placed some automakers in a long position on steel stocks.

February production of cars was about 400,000. March production is now scheduled at about the same figure, although a 450,000 level had been predicted a couple of weeks ago.

For some automotive divisions, steel buying for the 1961 model year has just about run its course in terms of major steel buys.

### Steel Production Tops 1.5 Million Tons for Fourth Week in Row

Continued gains in orders for ferrous and nonferrous metals are convincing producers they have passed the low point in the recession *Steel*, the metalworking magazine, said on March 6.

Steelmakers are getting enough new business from customers to keep production on a gradually rising plane in spite of automotive cutbacks. Since the first of the year, output has risen in every week but two.

Steel orders are not mounting in aggregate tonnage, but they are increasing numerically. Sales executives believe that indicates many users have completed their inventory adjustments. When they start using steel at a faster rate, there will be an immediate impact on mill order books.

Copper sales have been gaining over the last few weeks. Demand for other major metals, particularly aluminum, is also improving.

If strength in copper sales continues, it may indicate the direction the economy is taking. The metal is used by a broad cross section of industry.

Bellwether scrap prices are continuing to rise. *Steel's* composite price on No. 1 heavy melting steelmaking scrap is at the highest level in over a year. It jumped $1.67 to $35.67 a gross ton last week. Copper scrap prices are also gaining.

Look for gradual acceleration in steelmaking as spring approaches, says the magazine. Buying will increase slowly as milder weather spurs construction, railroad trackwork, shipbuilding, pipelines, and tank fabrication.

Improved demand for the major steel products is most apparent in structurals, with sheets, bars, and plates following in that order. Tin plate and galvanized sheets continue in strong demand.

Production this week will probably be slightly higher than the 1,560,000 ingot tons that *Steel* estimates was turned out in the week ended March 4. (It was the fourth consecutive week in which ingot production topped the 1.5 million ton level, highest since October.)

Output in the week ended March 4 was down 1.4% from the preceding week (largest output in any week since the one ended June 25, 1960). But the decline does not reflect any weakening in over-all demand. A sharp cutback in the Youngstown district resulted when one steelmaker banked furnaces to revamp finishing facilities.

### Steel Production Data for the Week Ended March 4

As previously announced (see page 26 of our issue 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 1957-59.

The revised method of reporting presents the following data:

Production for week ending March 4, 1961, was 1,580,000 tons (*84.8%), previous week's output of 1,582,000 tons (*84.9%).

Production this year through March 4, amounted to 13,568,000 tons (80.9%), or 44.1% below the 24,265,000 tons (144.7%) in the period through March 4, 1960.

The Institute concludes with Index of Ingot Production by District, for week ended March 4, 1961, as follows:

| | *Index of Ingot Production for Week Ending Mar. 4, 1961 |
|---|---|
| North East Coast | 88 |
| Bufallo | 77 |
| Pittsburgh | 79 |
| Youngstown | 69 |
| Cleveland | 71 |
| Detroit | 86 |
| Chicago | 92 |
| Cincinnati | 84 |
| St. Louis | 108 |
| Southern | 88 |
| Western | 100 |
| Total industry | 84.8 |

*Index of production based on average weekly production for 1957-59.

### Increase in New Car Sales Reported

A near 13% increase in Feb. 21-29 new car sales over midmonth was estimated by *Ward's Automotive Reports* on March 3.

In estimating the bright turn in sales *Ward's* said the final results would not be known for several days yet but a thorough survey shows improvement to be generally apparent. Close-out of several sales contests was a factor in the gain.

The statistical service said the Feb. 21-29 sales rise would serve to balance out market weaknesses earlier in the month, bringing entire February daily rate of sales abreast of the entire January level.

Whether the recent improvement in the auto market signals the beginning of a progressive and continuing upturn can not be pinned down at this time, *Ward's* said, adding:

Apparently the auto makers did not catch the scent of a sales gain strong enough or early enough to forestall assembly plant shutdowns this week.

In addition to suspension of entire U. S. Chrysler Corp. car making this week, Ford output was idled at Loraine (Ohio), Chevrolet at Norwood (Ohio) and Studebaker - Packard at South Bend (Ind.) bringing to 10 the number of plants closed for adjustment of dealer inventories.

Vehicle production in U. S. plants was estimated by *Ward's* at 92,530 cars and 19,515 trucks this week following 100,331 and 21,400, respectively last week.

In the same week of 1960 some 138,513 cars and 28,149 trucks were assembled in U. S. plants.

*Ward's* estimated Feb. 29 new car inventories to be parallel to the 1,027,000 Jan. 31 level.

### Freight Car Loadings 15.4% Lower Than in 1960 Week

Loading of revenue freight in the week ended Feb. 25, 1961, totaled 468,482 cars, the Association of American Railroads announced. This was a decrease of 85,400 cars or 15.4% below the corresponding week in 1960, and a decrease of 106,852 cars or 18.6% below the corresponding week in 1959.

Loadings in the week of Feb. 25, which included the Washington Birthday Holiday, were 33,852 cars or 6.7% below the preceding week.

There were 10,028 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Feb. 18, 1961 (which were included in that week's over-all total). This was a decrease of 691 cars or 6.4% below the corresponding week of 1960 but an increase of 3,205 cars or 47.0% above the 1959 week.

Cumulative loadings for the first seven weeks of 1961 totaled 68,996 for a decrease of 874 cars or 1.3% below the corresponding period of 1960, but 22,154 cars or 47.3% above the corresponding period in 1959. There were 56 class I U. S. railroad systems originating this type traffic in the current week compared with 51 one year ago and 45 in the corresponding week in 1959.

### Intercity Truck Tonnage Down 5.5% From 1960 Week

Intercity truck tonnage in the week ended Feb. 25, was 5.5% below the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage aws 3.1% behind the volume for the previous week of this year.

Observance of the Washington Birthday holiday by many businesses contributed to the week-to-week decrease.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

### Lumber Shipments 23.7% Below 1960 Volume

Lumber production in the United States totaled 196,703,000 board feet in the week ended Feb. 25, compared with 196,718,000 board feet in the previous week, according to reports from regional associations. A year ago, the figure was 253,634,000 board feet.

Compared with 1960 levels, output declined 22.4% and shipments dropped 23.7%, but new orders rose 22.6%.

Following are the figures in thousands of board feet for the weeks indicated.

| | Feb. 25, 1961 | Feb. 18, 1961 | Feb. 27, 1960 |
|---|---|---|---|
| Production | 196,703 | 196,718 | 253,634 |
| Shipments | 181,321 | 195,463 | 237,664 |
| New orders | 198,352 | 197,443 | 161,743 |

### Electric Output 1% Lower Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, March 4, was estimated at 14,226,000,000 kwh., according to the Edison Electric Institute. Output was 13,000,000 kwh. below that of the previous week's total of 14,239,000,000 kwh. and 144,000,000 kwh., or 1%, below that of the comparable 1960 week.

### Business Failures at New Postwar High

Commercial and industrial failures climbed to 408 in the week ended March 2 from 348 in the preceding week, reported Dun & Bradstreet, Inc. At a new postwar high, casualties exceeded considerably the 299 occurring last year and the 288 in 1959. As well, the toll turned up steeply from the prewar level of 254 in the similar week of 1939.

Failures involving liabilities of $5,000 or more rose to 370 from 300 in the previous week and 261 a year ago. On the other hand, small casualties with losses under $5,000 dipped to 38 from 48. Liabilities ran above $100,000 for 51 of the businesses failing during the week as against 40 a week earlier.

Thirty-four Canadian failures were recorded, falling from 59 in the preceding week, but holding even with the 34 in the comparable week last year.

### Wholesale Food Price Index Down Again to New 1961 Low

For the third week in a row the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped this week, and it was down to the lowest level so far this year. On March 7 it dipped 0.3% to $6.07 from the week earlier $6.09, which was the prior 1961 low. The current index was up 3.9% from the $5.84 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were corn, rye, hams, cheese, milk, beans and hogs. Lower in price were flour, wheat, barley, beef, lard, sugar, cottonseed oil, cocoa, eggs and potatoes.

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 Into New High Ground

The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., rose to another new high for the year on Friday, March 3, when it stood at 270.19 (1930-32=100). In addition, this was the highest since the 270.48 of July 13, 1960. On Monday, March 6, the index receded to 270.17, but it was up from the 269.67 of a week earlier. On the corresponding date a year ago it stood at 272.14. The rise from the prior week primarily reflected higher prices on corn, rye, hides, and cotton.

There was a fractional rise from a week earlier in corn prices, as trading edged up and supplies in most markets were light. Transactions in oats were sluggish and prices were unchanged from the preceding week.

Both domestic and export buying of wheat was light, and supplies, though not excessive, were ample; this resulted in a moderate decline in wheat prices. In contrast, rye prices moved up appreciably on improved volume. Fears of depleted stocks and increased export sales of soybean oil helped boost soybean prices this week.

Rice prices held steady as domestic and export buying was sustained at a high level and stocks were reduced in some markets; sizable sales are expected to be made soon to Pakistan, Indonesia, and India.

Sugar trading slackened during the week and prices finished the week fractionally below a week earlier. A slight decrease occurred in coffee prices, despite steady trading. Despite a slight rise at the end of the week, cocoa prices finished moderately on the down side; cocoa trading for the week was close to the prior period.

Although trading moved up at the week end, prices on hogs were down moderately from the prior week; hog supplies expanded somewhat. There was a slight dip in prices on steers, reflecting lower volume and increased supplies. A moderate decrease also occurred in lamb prices, as transactions were lower.

Cotton prices on the New York Cotton Exchange moved within a narrow range this week, but they finished slightly on the up side. Sales of cotton by exporters under the 1960-61 export program totaled 99,800 bales in the week ended Feb. 24, compared with 139,700 a week earlier.

### Retail Trade Shows Gain Over Poor 1960 Week

With pleasant weather in some areas stimulating consumer buying, over-all retail trade in the week ended March 1 was moderately higher than a year ago, when many cities were plagued with bad weather. Gains from last year occurred in purchases of women's and children's apparel, furniture, and food products, but volume in men's apparel, new and used passenger cars, major appliances, and linens showed year-to-year declines. Interest in draperies and floor coverings remained close to the similar 1960 week.

The total dollar volume of retail trade in the week under review was 2 to 6% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: Middle Atlantic +8 to +12; West North Central +5 to +9; South Atlantic +4 to +8; East North Central and Mountain +2 to +6; West South Central —1 to +3; New England —2 to +2; Pacific Coast —3 to +1; East South Central —6 to —2.

### Nationwide Department Store Sales Up 11% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Feb. 25, 1961, showed an increase of 11% above the like period last year. For the week end Feb. 18, an increase of 7% was reported. For the four weeks ended Feb. 18, 1961 a 2% gain was reported.

According to the Federal Reserve System, department store sales in New York City for the week ended Feb. 25 showed an 18% increase over the same period last year. In the preceding week ended Feb. 18 sales showed an increase of 23% from the same week in 1960. For the four weeks ended Feb. 25 a 2% increase was reported above the 1960 period, while Jan. 1 to Feb. 25 a 2% decrease occurred.

# IBA Announces Adv. Contest

WASHINGTON, D.C.—A national Advertising and Sales Promotion Contest is being conducted by the Investment Bankers Association to give recognition to those members who develop the most outstanding advertisements and sales promotion ideas in selling municipal securities, according to an announcement by George A. Newton, G. H. Walker & Co., St. Louis, President of the Association. This is an initial step of a program designed to broaden the market for municipal securities sponsored by the Special Committee for Public Education on Municipal Securities. The Committee recognizes the vital role that advertising and promotion can play in stimulating greater public interest in the bonds of state and local governments as investment media.

The first annual contest is open to entries used from September, 1960 through September, 1961, according to Walter H. Steel, Drexel & Co., New York, Chairman of the of the Special Committee. Contest awards for 1960-1961 will be made in three categories for those entries which best create new investor interest:

(1) Newspaper and magazine advertising, excluding original new-issue advertisements;

(2) Brochures, mailing pieces, pamphlets, or other printed literature on municipal bonds;

(3) New sales promotion ideas initiated, including outstanding innovations in new-issue advertising format.

Regional contests will be conducted simultaneously by each of the 17 IBA Groups throughout the country. Winning entries at the Group level will then compete for awards on the national level and will be displayed at the Association's Annual Convention in November, 1961. The national winners will be announced during the Convention and awards will be presented at one of the open meetings, said Fred D. Stone, Jr., The Marine Trust Co. of Western New York, Chairman of the subcommittee conducting the contest.

# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

## What I Believe Most People Want From Their Brokers

There are millions of people in this country who have been buying stocks and bonds for the first time during the past decade. Many of these people are practically novices as investors. As the nation has grown, and the relatively unattractive interest rates on taxable investments have made common stocks more desirable, the public has increased its appetite for this type of investment with almost enormous intensity. Adding to this reawakened interest in common stocks as investments, has been a steady stream of publicity which has flooded the press, and widely read publications, about those fortunate individuals who have started a small business, procured some public financing and now are millionaires. The advertisements of investment firms and financial services have also been explaining the possibilities of making money grow faster through common stock investments. Once again we are beginning to look at a nation that has forgotten the excesses of the twenties, when the elevator boys and stenographers were buying stocks and a man like Andy Mellon was called an "old fogy" or worse.

### Not Everybody Wants Something For Nothing

During the past decade, it is true that great fortunes have been made in certain common stock investments. It is also a fact that if you look at the record closely you will find a healthy percentage of stocks that are still selling today below their 1946 highs (this is a fact). Meanwhile, in brokerage offices all over the country, the crowds are gathering, the ticker runs late; one day it's the vending stocks, the next day the cosmetics, then it's some electronic or drug stock that catches the public's fancy, and let us not forget bowling, boating, and such great educational and popular entertainment medium as "wildwest T.V. shorts" where the villian always gets "kilt" and the hero comes back again next week.

If you look at a balance sheet or an income account, and you think this is going to help you pick tomorrow's winner, you are about as nutty as the fellow who went to the race-track and believed that the horse that won last year at Bowie on a muddy track, should be able to do the same thing at Hialeah because he had a flamingo on his back.

There are some problems involved in all of this. I am not writing this column just to get something off my long suffering, salesman's chest. Although like the rest of us pencil pushers and order takers, my phone is so busy these days trying to answer people who think I know whether or not some "two-bit" stock should be bought, that I am beginning to wonder whether or not I should be touting race horses or trying to advise investors about their securities. And here's THE POINT OF THIS PIECE:

### Pick Your Customers

If you are beginning to become bogged down with trying to service a horde of people who want to get rich in the stock market, and who don't care if it takes them as long as 24 hours to do it, don't let it worry you. Just be polite to them and tell them "Brother, I am busy. I'd like to help you if I could, but if I was smart enough to know which stocks you can buy today and sell in a week or two and make a killing in this market, I'd do it myself and then I'd invite you to help me celebrate."

I would hold on to my good customers who want to buy sound investments, who know how to diversify their holdings so that they can protect themselves from today's great risks and also enjoy some of the fat profits that come to anyone who selects and diversifies his securities wisely, and who reviews them constantly. I'd send my good customers correct confirmations; execute their orders properly; see to it when they wanted their securities delivered to their bank, or mailed to their home, or kept in safekeeping account that it would be done, or I'd know the reason why.

If my accounting and bookkeeping department messed up any of my accounts (as is bound to happen in days when the volume of business is running high and orders are flying thick and fast) I'd see to it that these mistakes were corrected. When my good customers asked me for information, or a statistical report, I'd get it for them. If they wanted special information, and I knew of someone in this business, or somewhere else in this country (even if it meant a long distance call from coast to coast) I'd see that they got that information.

And last but not least, I would let them know in no uncertain language that I am only a human being, trying to do the best job I can, and that I don't have any crystal ball that is going to tell me what is going to happen to the market, or any particular stock today, tomorrow, next month, or a year from now.

And if they didn't want to do business with me on that basis, then they could jolly well go somewhere else, because I still think there are millions of people who believe in America, who still believe in free enterprise, who have confidence in the integrity of our business organizations, and who don't want something for nothing. And may the Good Lord help us if this isn't so!



## Whippany Paper Stock Marketed

A group headed by Van Alstyne, Noel & Co. is offering today (March 9) 250,000 shares of Whippany Paper Board Co., Inc. common stock at $15 per share.

Of the net proceeds, the company expects to spend about $1,600,000 for conversion work on one of its paper board machines, and the balance will be added to working capital.

The company is one of the largest non-integrated paper board manufacturers in the eastern United States. It owns and operates five paper board mills, with a daily production capacity of approximately 1,600 tons of paper board. Its products are used principally in the fabrication by others of container, folding and set-up boxes and also for many other paper board uses.

Debt and capital stock outstanding at Sept. 30, 1960, adjusted for a plan of recapitalization and for the sale of common stock offered today consists of: $2,028,061 in short-term obligations; $17,816,383 in long-term debt; 740,000 shares of common stock; and 1,686,700 shares of class B stock. Sales of the company in the 1960 fiscal year were approximately $48,680,000, and net earnings were $1,904,934.

## Kiser, Cohn Names Officers

INDIANAPOLIS, Ind. — Election of Julian A. Kiser as Chairman of the Board and Gordon K. Cohn as President and Treasurer of Kiser, Cohn & Shumaker, Inc., Circle Tower, has been announced.

The new top officers were chosen following the recent death of Melville S. Cohn, one of the founders of the company, who had served as President since 1947.

Other officers elected were Roy R. Rodabaugh, and Loren O. Hodges, Vice-Presidents; Richard P. Kiser, Vice-President & Assistant Treasurer; Thelma A. Minton, Secretary and Josephine Egan, Cashier.

Kiser, Cohn & Shumaker, Inc. was founded in 1933 and has engaged in the underwriting and distribution of local and national over-the-counter securities, including mutual investment funds and tax exempt bonds. Since January, 1950 the company has held membership in the Midwest Stock Exchange.

Both the new Chairman and President have been associated with the firm since 1937, except for four years of military service during World War II.

### Form Associates Securities

PITTSBURGH, Pa.—Milton Fine and Edward A. Perlow have formed Associates Securities Co. with offices in the Law & Finance Building to engage in a securities business.

## THE SECURITY I LIKE BEST...

Continued from page 2

electro-hydraulic system commanded by a precise programmer established wave conditions for ship model testing.

**Deep Dive:** A combined electronic, pneumatic and hydraulic system precisely programs and controls pressures on a submarine model for long time fatigue testing under realistic loading conditions.

**Naval Weapons Lab, Dahlgren, Va.:** Boonshaft and Fuchs, Inc., is constructing automatic evaluation equipment for measuring and recording peak pressure, peak rate-of-pressure rise, etc., of cartridge actuated devices. These in turn are used for pilot seat ejection, missile booster separation, etc.

Thus far, out of the major projects listed above and a host of minor ones, this company has been able to develop and market such products as: a pneumatic-hydraulic actuator, high pressure filters and pressure drop indicators, controllers (pneumatic and electronic), and programmers. It expects to be able to release several other items in the near future. Also out of this background with military and space agencies, have resulted contracts for industrial control systems. For example, at Budd Manufacturing Company, a Boonshaft and Fuchs control system will greatly reduce costs and time in brake testing.

Boonshaft and Fuchs has been able to broaden its product line by marketing products of two European companies in the U. S. A. One of these products (the STATISTIC) has already gained wide acceptance here. It has led to a contract from du Pont for the construction of a continuous statistical computer for use on one of their production processes. Finally, Boonshaft and Fuchs has completed a Frequency Response Analyzer for testing of feedback control systems. This item is being manufactured under license from Shell Development Company. It has already been in use at North American Aviation and at Westinghouse. It is now being marketed on a national basis.

The current backlog of the company is approximately $650,000 and management hopes to close the current fiscal year ending July 30 with a backlog of over $1 million. Sales and earnings are in a strong uptrend. In the company's first full fiscal year, ending July 30, 1960, sales amounted to $407,701 on which a nominal profit of about $11,000 was realized. In the current fiscal year to end July 30, 1961, sales are expected to range between $750,000 to $1,000,000 with net income dependent on how much the company amortizes for research and development. Nevertheless, net earnings are expected to show an improvement. The company is budgeting for sales of $1.5 million in fiscal 1962 and future prospects for earnings seem outstandingly bright.

For a small company, albeit in the glamor category, Boonshaft and Fuchs has an exceptionally good balance sheet. As of Oct. 29, 1960, current assets totaled $300,000 compared with current liabilities of $36,000. Capitalization consisted of $200,000 of debenture bonds held by Aerojet General Corporation Pension Fund and 256,650 shares of common stock, of which only 108,000 shares are in the hands of the investing public. There are about 500 stockholders.

The company's plant is located in Hatboro, Pa. Total plant floor space will be double the present 5,500 square feet with the completion of a new building now in the planning stage. The company is now advancing on a broad front of control systems sales, and of product sales. As its record of accomplishment becomes known on a broader basis, its systems sales should increase. As its unique product capability becomes known, its product sales should increase substantially. To these ends, the company has expanded its sales and advertising efforts. Every sign points to a wide acceptance of its services and products.

Obviously from the investment standpoint, the common stock of Boonshaft and Fuchs is extremely speculative at this early stage of the company's growth. Nevertheless, in consideration of the capabilities of the company's 11 graduate engineers in critical areas of this country's defense program, there is every reason to believe that this dynamic concern will continue to grow and prosper at a rate far in excess of that of the economy as a whole. With much of its work closely allied with the new developments in control systems technology, the company should remain in the vanguard of promising developments in its unique field of endeavor. As these new developments are accepted by industry, the company's sales and profits should increase substantially.

The stock is traded in the Over-the-Counter Market and is presently quoted at about 9.

## Chemsol, Inc. Stock Offered

Public offering of 200,000 shares of the common stock of Chemsol, Inc. is being made today (March 9) at a price of $3 per share by an underwriting group managed by Godfrey, Hamilton, Magnus & Co., Inc.

Headquartered in Elizabeth, N. J., Chemsol, Inc. is engaged in the buying, selling and refining of by-products of the chemical and petrochemical industries; in the manufacture and sale of lime and the neutralization and disposal of chemical and acid wastes; and in the reprocessing of used thermoplastics resins for extrusion manufacturers.

Net proceeds from the sale of the shares will be used to construct and equip a kiln plant in New Jersey for the conversion of limestone into quicklime, and to purchase additional equipment and inventory for the reprocessing of thermoplastic materials. Balance of the funds will be used for general corporate purposes, including working capital.

For the fiscal year ended Oct. 31, 1960, Chemsol, Inc. reported net sales of $1,792,995 and net income of $140,997, equal to 27 cents per common share

Upon completion of the current financing, capitalization of the company will consist of a short term bank loan of $80,000 and 715,000 shares of common stock.

## Telephone & Elec. Common Offered

Equity Securities Co. is offering 52,980 shares of common stock of Telephone & Electronics Corp.

Holders of its common stock are offered rights to subscribe for the shares at the rate of three shares for each five shares held, of record on March 7, 1961 at $5 per share. The offer expires March 21, 1961. During and after the subscription period unsubscribed stock may be offered by the underwriter.

### Holleyman V.-P. of Waldron & Co. Inc.

SAN FRANCISCO, Calif.—Darrell O. Holleyman has been elected a Vice-President of Waldron & Co., Inc., Russ Building.

# 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.*

**● Accesso Corp. (4/3-7)**
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

**Acme Missiles & Construction Corp. (3/15)**
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. (4/10-14)**
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.

**● A-Drive Auto Leasing System Inc. (3/14-15)**
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

**● Adler Electronics, Inc.**
Feb. 20, 1961 filed 160,000 shares of common stock, of which 110,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Rochelle, N. Y. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected in early April.

**Advanced Investment Management Corp.**
Jan. 13, 1961 filed 500,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

**● Air Metal Industries, Inc. (3/14)**
Jan. 27, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents) of which 12,500 shares are to be offered by stockholders, 12,500 shares to the underwriters and the balance by the company. **Price**—$4 per share. **Business**—The firm makes and sells steel metal ducts utilized in heating systems. **Proceeds**—To increase inventory, for research and development and working capital. **Office** — Miami Beach Federal Bldg., Miami Beach, Fla. **Underwriter**—Lloyd Securities, New York City.

**● Air-X Industries, Inc. (3/20-24)**
Jan. 31, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For purchase of machinery and equipment and for furniture and fixtures and leasehold improvements, including electrical plumbing and heating work. **Office**—1210 Randall Avenue, Bronx, N. Y. **Underwriter** — Lewis Wolf Associates, New York, N. Y.

**Alabama Power Co. (3/23)**
Feb. 13, 1961 this subsidiary of the Southern Co., filed $13,000,000 of first mortgage bonds due 1991 and 80,000 shares of cumulative 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. **Bids**—To be received up to 11:00 a.m. for the preferred stock and up to 12 noon for the bonds on March 23 at Southern Services, Inc., Room 1600, 250 Park Ave., New York City. **Information Meeting**—Scheduled for March 20 at 2:30 p.m. at the Chemical Bank New York Trust Co., 10th floor.

**● 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. **Note**—March 2 the underwriter advised this newspaper that the statement is being withdrawn.

**★ Alaska Vending Diversified, Inc.**
Feb. 14, 1961 (letter of notification) 16,333 shares of common stock (par $10) and 8,308 shares of preferred stock. **Price**—(Common) $10 per share, for the first 3,000 shares; $12 per share for the next 8,333 shares and $14 per share for the last 5,000 shares. (Preferred) $2 per share for the first 2,000 shares; $2.40 per share, for the next 4,166 shares and $2.80 per share for the last 2,142 shares. **Proceeds**—For the unpaid principal due on contracts, and for working capital. **Office**—315 Lincoln St., Sitka, Alaska. **Underwriter**—None.

**● Albee Homes, Inc. (3/13-17)**
Jan. 24, 1961 filed 172,500 shares of common stock. **Price**—To be supplied by amendment. **Business**—The sale of pre-cut packaged home building materials. **Proceeds**—To be used by the company's wholly-owned subsidiary to finance future credit sales. **Office**—931 Summit St., Niles O. **Underwriter**—G. H. Walker & Co., Inc., New York City (managing).

**● Alberto-Culver Co.**
Feb. 15, 1961 filed 155,000 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 130,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of cosmetic and toiletry preparations, particularly in the hair care field. **Proceeds**—For additional working capital. **Office**—2525 Armitage Ave., Melrose Park, Ill. **Underwriter**—Shields & Co., New York City (managing). **Offering**—Expected in early April.

**● All-State Credit Corp.**
Feb. 21, 1961 filed 200,000 shares of class A stock. **Price**—$5 per share. **Business**—A sales finance company, specializing in the purchase of conditional sales contracts from furniture and appliance dealers throughout the New York City area. **Proceeds**—For the repayment of debt and for working capital. **Office**—71 West Merrick Blvd., Valley Stream, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc. **Offering**—Expected in late April.

**★ All-Tech Industries, Inc.**
Feb. 23, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To repay a bank loan, retire a chattel mortgage and for working capital. **Address**—Miami, Fla. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

**Allen & Steen Acceptance Co.**
Jan. 17, 1961 (letter of notification) $200,000 of 6% sinking fund debentures, 1975 series to be offered in denominations of $1,000 and $500 each. **Price**—At face value. **Proceeds** — For working capital. **Office**—28 S. 8th St., Terre Haute, Ind. **Underwriter** — City Securities Corp., Indianapolis, Ind.

**● Allied Petro-Products, Inc.**
Feb. 3, 1961 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For increasing inventory, development of new products and working capital. **Office** — 41 Edgewood Ave., Jacksonville, Fla. **Underwriter**—Darius Inc., New York, N. Y. **Offering**—Imminent.

**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 Eagle Mining Co.**
Feb. 10, 1961 (letter of notification) 50,300 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office**—West 1611 8th Ave., Spokane, Wash. **Underwriter**—None.

**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 Machine & Foundry Co.**
Jan. 17, 1961 filed $39,911,100 of 4¼% convertible subordinated debentures being offered to common stock-

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## NEW ISSUE CALENDAR

**March 10 (Friday)**

Colorite Plastics, Inc.----------Common
(P. W. Brooks & Co., Inc.) 100,000 shares

Colorite Plastics, Inc.----------Bonds
(P. W. Brooks & Co., Inc.) $900,000

Rixon Electronics, Inc.----------Capital
(Auchincloss, Parker & Redpath) 115,000 shares

Techmation Corp.----------Common
(First Philadelphia Corp.) $175,000

**March 13 (Monday)**

Albee Homes, Inc.----------Common
(G. H. Walker & Co., Inc.) 172,500 shares

Amity Corp.----------Common
(Karen Securities Corp.) $226,217

Atlantic Fund for Investment in U. S. Government Securities, Inc.----------Common
(Capital Counsellors) $50,000,000

Automation Laboratories, Inc.----------Common
(Sandkuhl & Co.) $266,800

Benbow Astronautics, Inc.----------Class A
(Edward Hindly & Co.; T. M. Kirsch & Co.; Cortlandt Investing Co. and H. B. Crandall & Co.) $300,000

Bristol Dynamics, Inc.----------Common
(William, David & Motti, Inc.) $700,000

Colber Corp.----------Common
(Richard Bruce & Co., Inc.) $300,000

Colonial Mortgage Service Co.----------Common
(Drexel & Co. and Stroud & Co.) 100,000 shares

Falls Plaza Limited Partnership----------Interests
(Hodgdon & Co., Inc. and Investor Service Securities Inc.) $480,000

Forcite, Inc.----------Common
(Myron A. Lomasney & Co.) $750,000

Fund of America, Inc.----------Common
(Ladenburg, Thalmann & Co. and Minis & Co., Inc.) $5,000,000

Gold Medal Packing Corp.----------Preferred
(Capital Investment Co.) $400,000

Honey Dew Food Stores, Inc.----------Common
(Capital Investment Co.) $290,000

Income Planning Corp.----------Units
(Espy & Wanderer, Inc.) $200,000

Jensen Industries----------Common
(Maltz, Greenwald & Co. and Thomas, Jay Winston & Co.) $300,000

Mercury Electronics Corp.----------Common
(S. Schramm & Co. Inc.) $300,000

Minitone Electronics, Inc.----------Common
(No underwriting) $555,000

Mohawk Insurance Co.----------Common
(R. F. Dowd & Co., Inc.) $900,000

Random House, Inc.----------Common
(Allen & Co.) 121,870 shares

Renwell Electronics Corp. of Delaware----------Common
(William David & Motti, Inc.) $400,000

Simplex Lock Corp.----------Common
(Charles Plohn & Co. and B. W. Pizzini & Co.) $300,000

Stelma, Inc.----------Common
(Amos Treat & Co., Inc.) 200,000 shares

**March 14 (Tuesday)**

A-Drive Auto Leasing System, Inc.----------Class A
(Hill, Darlington & Grimm) $1,000,000

Air Metal Industries, Inc.----------Common
(Lloyd Securities) $300,000

General Telephone Co. of Florida----------Preferred
(Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp. and Mitchum, Jones & Templeton) 400,000 shares

**March 15 (Wednesday)**

Acme Missiles & Construction Corp.----------Common
(No underwriting) 30,000 shares

Circle Controls Corp.----------Common
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000

Lafayette Radio Electronics Corp.----------Debentures
(C. E. Unterberg, Towbin Co.) $2,500,000

Lafayette Radio Electronics Corp.----------Common
(C. E. Unterberg, Towbin Co.) 100,000 shares

Storer Broadcasting Co.----------Common
(Reynolds & Co., Inc.) 263,000 shares

Sunset Color Laboratories, Inc.----------Common
(Jacey Securities Co.) $180,000

**March 17 (Friday)**

Hydro-Electronics Corp.----------Common
(Amber, Burstein & Co., Inc.) $300,000

Inter-Mountain Telephone Co.----------Common
(Offering to stockholders—underwritten by Courts & Co.) 465,000 shares

**March 20 (Monday)**

Air-X Industries, Inc.----------Common
(Lewis Wolf Associates) $300,000

American Molded Fiberglass Co.----------Common
(Vestal Securities Corp.) $148,172

Automation Development, Inc.----------Common
(First Philadelphia Corp.) $150,000

Citizens & Southern Capital Corp.----------Common
(The Johnson, Lane, Space Corp.; Courts & Co. and Robinson-Humphrey Co., Inc.) $1,650,000

Copter Skyways, Inc.----------Common
(C. A. Benson & Co., Inc.) $450,000

Dynamic Instrument Corp.----------Common
(T. W. Lewis & Co., Inc.; Amos Treat & Co., Inc. and Bruno-Lenchner, Inc.) $300,000

Eastern Can Co., Inc.----------Class A Stock
(Milton D. Blauner & Co., Inc.) $1,400,000

Jet-Aero Corp.----------Common
(Netherlands Securities Co., Inc.) $250,000

Municipal Investment Trust Fund, Series A----------Units
(Ira Haupt & Co.) $20,000,000

National Food Marketers, Inc.----------Common
(Robert Edelstein Co., Inc.) $400,000

Nytronics, Inc.----------Capital
(Norton, Fox & Co., Inc.) 100,000 shares

Personal Property Leasing Co.----------Capital
(Dempsey-Tegeler & Co.) $975,000

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Rego Insulated Wire Corp.____________Common
(Russell & Saxe, Inc.) $900,000
Roblin-Seaway Industries, Inc.____________Class A
(Brand, Grumet & Seigel, Inc.) $480,000
Shinn Industries Inc.____________Common
(Myron A. Lomasney & Co.) $900,000
Shoup Voting Machine Corp.____________Common
(Burnham & Co.) 110,000 shares
Thermogas Co.____________Common
(A. C. Allyn & Co.) 100,000 shares
U. S. Components, Inc.____________Common
(Arden Perin & Co., Inc.) $300,000
Van Dusen Aircraft Supplies, Inc.____________Common
(Stroud & Co.) $300,000

**March 21 (Tuesday)**
Economics Laboratory, Inc.____________Debentures
(W. E. Hutton & Co. and Kalman & Co., Inc.) $4,000,000
Greenfield Real Estate Investment Trust__Ben. Int.
(Drexel & Co.) 500,000 shares
Jefferson Lake Asbestos Corp.____________Units
(A. G. Edwards & Sons) $3,500,000
Resitrion Laboratories, Ltd.____________Common
(Russell & Saxe, Inc.) $200,000
Southern Bell Telephone & Telegraph Co.__Debens.
(Bids 11 a.m. EST) $70,000,000

**March 22 (Wednesday)**
Atlantic City Electric Co.____________Bonds
(Bids 11 a.m. EST) $10,000,000
Southwestern Public Service Co.____________Bonds
(Dillon, Read & Co.) $15,000,000
Southwestern Public Service Co.________Preferred
(Dillon, Read & Co.) 120,000 shares

**March 23 (Thursday)**
Alabama Power Co.____________Preferred
(Bids 11 a.m. EST) 80,000 shares
Alabama Power Co.____________Bonds
(Bids 12 noon EST) $13,000,000
Radar Measurements Corp.____________Common
(Blaha & Co., Inc.) $299,950

**March 24 (Friday)**
Rochester Telephone Corp.____________Common
(The First Boston Corp.) 273,437 shares

**March 27 (Monday)**
Clifton Precision Products Co., Inc.______Common
(W. C. Langley & Co.) 60,000 shares
Electro Consolidated Corp.____________Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $600,000
Irvington Steel & Iron Works____________Common
(L. L. Fane & Co., Inc.) $300,000
Lake Arrowhead Development Co.________Common
(Van Alstyne, Noel & Co. and Sutro & Co.) $3,000,000
Mansfield Industries, Inc.____________Common
(McDonnell & Co., Inc.) 150,000 shares
Presidential Realty Corp.____________Common
(Burnham & Co.) 150,000 shares
Publishers Co., Inc.____________Common
(Amos Treat & Co., Inc. and Roth & Co., Inc.) $2,200,000
White, Shield Corp.____________Common
(Adams & Peck) 50,000 shares

**March 28 (Tuesday)**
Beckman Instruments, Inc.____________Common
(Offerings to stockholders—underwritten by Lehman Brothers) 70,000 shares
Mississippi River Transmission Corp.______Common
(Eastman Dillon, Union Securities & Co. and Dempsey-Tegeler & Co.) 100,000 shares

**April 3 (Monday)**
Accesso Corp.____________Units
(Ralph B. Leonard & Sons, Inc.) $600,000

American Fidelity Building & Loan Assn.__Com.
(McClane & Co., Inc.) $300,000
Customline Control Panels, Inc.__________Common
(Blaha & Co., Inc.) $300,000
Dixie Natural Gas Corp.____________Common
(Vestal Securities Corp.) $300,000
Dynatronics, Inc.____________Common
(R. S. Dickson & Co.) 120,000 shares
Home Lab Supply, Inc.____________Common
(Fontana Securities, Inc.) $300,000
Marine Capital Corp.____________Common
(Paine, Webber, Jackson & Curtis) $9,995,000
North American Car Corp.____________Common
(Glore, Forgan & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 150,000 shares
Packard Instrument Co., Inc.____________Common
(A. G. Becker & Co., Inc.) 100,000 shares
Progress Webster Electronics Corp.________Common
(Marron, Sloss & Co., Inc.) $675,000

**April 4 (Tuesday)**
Elion Instruments, Inc.____________Capital
(Warner, Jennings, Mandel & Longstreth) 60,000 shares
Southern California Edison Co.____________Bonds
(Bids 8:30 a.m. PST) $30,000,000
Southern Pacific Co.________Equip. Trust Ctfs.
(Bids noon EST) $4,800,000

**April 6 (Thursday)**
Dodge Wire Corp.____________Common
(Plymouth Securities Corp.) $600,000

**April 10 (Monday)**
ACR Electronics Corp.____________Units
(Robert Edelstein Co., Inc.) 75,000 units
Blatt (M.) Co.____________Common
(Maltz, Greenwald & Co.; Clayton Securities Corp.; Rodetsky, Kleinzahler, Walker & Co. and L. C. Wegard & Co.) 100,000 shares
Dekcraft Corp.____________Common
(Carter, Berlind, Potoma & Weill) 92,000 shares
Michigan Gas Utilities Co.____________Common
(Kidder, Peabody & Co., Inc.) 100,000 shares

**April 11 (Tuesday)**
New England Telephone & Telegraph Co.__Debs.
(Bids to be received) $45,000,000

**April 12 (Wednesday)**
Selas Corp. of America____________Common
(Eastman Dillon, Union Securities & Co.) 170,000 shares

**April 17 (Monday)**
Chalco Engineering Corp.____________Common
(First Broad Street Corp.) $600,000
Kreisler (Charles) Inc.____________Common
(Albion Securities Co., Inc.) $300,000
Ohio-Franklin Fund, Inc.____________Common
(Distributor—The Ohio Co.) 2,000,000 shares

**April 20 (Thursday)**
Orange & Rockland Utilities, Inc.__________Bonds
(Bids to be received) $12,000,000

**April 24 (Monday)**
Ampoules, Inc.____________Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $400,000

**April 25 (Tuesday)**
Endevco Corp.____________Common
(White, Weld & Co.) 125,000 shares
New England Telephone & Telegraph Co.____Com.
(Offering to stockholders—no underwriting) approx. 3,150,000

**May 1 (Monday)**
Sigma Instruments, Inc.____________Common
(W. C. Langley & Co.) 200,000 shares

**May 2 (Tuesday)**
Bell Telephone Co. of Pennsylvania___Debentures
(Bids to be received) $50,000,000

**May 3 (Wednesday)**
Washington Natural Gas Co.____________Common
(Bids to be received) $5,000,000
Washington Gas Light Co.____________Bonds
(Bids 11 a.m. EST) $12,000,000

**May 4 (Thursday)**
Sierra Pacific Power Co.____________Common
(Offering to stockholders—no underwriting) Approximately 132,570 shares

**May 11 (Thursday)**
Sierra Pacific Power Co.____________Bonds
(Bids to be received) $6,500,000

**May 16 (Tuesday)**
Arkansas Power & Light Co.____________Bonds
(Bids 11:30 a.m. EDT) $12,000,000
New York State Electric & Gas Corp.________Bonds
(Bids to be received) $25,000,000

**May 18 (Thursday)**
Interstate Power Co.____________Bonds
(Bids 11 a.m. EDT) $5,000,000
Interstate Power Co.____________Common
(Bids 11 a.m. EST) 200,000 shares

**May 25 (Thursday)**
New Orleans Public Service, Inc.____________Bonds
(Bids to be received) $15,000,000

**June 1 (Thursday)**
Columbia Gas System, Inc.__________Debentures
(Bids to be received) $30,000,000

**June 8 (Thursday)**
Brooklyn Union Gas Co.____________Bonds
(Bids to be received) $20,000,000

**June 13 (Tuesday)**
Virginia Electric & Power Co.____________Bonds
(Bids 11 a.m. EST) $30,000,000 to $35,000,000

**June 15 (Thursday)**
Photronics Corp.____________Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares
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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holders on the basis of one $100 debenture for each 20 shares of common held of record Feb. 28. Rights expire March 16. **Price**—At par value. **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 Molded Fiberglass Co. (3/20)**
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 Radiotelephone Corp.**
March 2, 1961 (letter of notification) $300,000 of five-year 8% convertible debentures to be offered in denominations of $100. **Proceeds**—To be held in reserve against options and to increase production facilities. **Office**—215 Oak Street, Natick, Mass. **Underwriter**—None.

**American Telephone & Telegraph Co.**
Jan. 27, 1961 filed 11,225,000 shares of capital stock being offered for subscription by stockholders on the basis of one new share for each 20 shares held of record Feb. 23, with rights to expire April 14. **Price**—$86 per share. **Proceeds**—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—None.

**• Amity Corp. (3/13)**
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City.

**• Ampoules, Inc. (4/24-28)**
Feb. 28, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The design and development of sterile disposable hypodermic ampoules for administering medication. **Proceeds**—For general corporate purposes including laboratory equipment, salaries for engineers, moulds and dies, and working capital. **Office**—238 North Main St., Hudson, Ohio. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

**Angeles Crest Development Co., Inc.**
Feb. 27, 1961 filed $1,500,000 of 7% subordinated debentures due April 1, 1971 and 75,000 shares of common stock to be offered for public sale in units consisting of $500 of debentures and 25 common shares. **Price**—$632.50 per unit. **Business**—The company was organized under California law in April, 1960, to acquire land for the development of residential lots, a golf course and related facilities. **Proceeds** — For the payment of a mortgage note, for development expenses and for working capital. **Office**—3436 North Verdugo Road, Glendale, Calif. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Lester, Ryons & Co., Los Angeles, Calif.

**• Apco Oil Corp.**
Jan. 13, 1961 filed $10,102,100 of 5¾% subordinated debentures, due April 1, 1981 and 505,105 shares of common stock to be offered for subscription by holders of class A and class B stock of Union Texas Natural Gas Corp., in units consisting of one $100 debenture and five common shares on the basis of one unit for each 70 shares of class A and/or class B stock of Union Texas. **Price** — To be supplied by amendment held of record March 8. **Business** — The company was organized under Delaware law on Aug. 15, 1960 and later entered into an agreement with Union Texas and others to purchase the properties of Anderson-Prichard Oil Corp., for a total of $25,200,000 plus its share of Anderson-Prichard liabilities. **Proceeds**—The company will use the proceeds, together with $12,000,000 to be borrowed from banks, to purchase the business and properties of Anderson-Prichard. **Office**—811 Rusk Avenue, Houston, Texas. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Smith, Barney & Co., both of New York City. **Offering**—Imminent.

**★ Aqua-Chem, Inc.**
March 3, 1961 filed 340,000 shares of common stock (par $1), of which 227,000 are to be offered for public sale by the company and 113,000 outstanding shares by Cleaver-Brooks Co., its parent. **Price**—To be supplied by amendment. **Business** — The company, formerly Cleaver-Brooks Special Products, Inc., is engaged principally in the development, manufacture and sale of equipment used for desalting and purifying sea and brackish water. **Proceeds** — For research and development and working capital. **Office** — 225 North Grand Ave., Waukesha, Wis. **Underwriters** — Carl M. Loeb, Rhoades & Co., New York City and Loewi & Co., Inc., Milwaukee, Wis. (managing). **Offering**—Expected sometime in April.

**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.

**Atlantic City Electric Co. (3/22)**
Feb. 10, 1961 filed $10,000,000 of first mortgage bonds due 1991. **Proceeds**—For the repayment of notes and for construction. **Office**—1600 Pacific Ave., Atlantic City, N. J. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., American Securities Corp., and Wood, Struthers & Co. (jointly); White, Weld & Co. and Shields & Co. (jointly); First Boston Corp. and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lee Higginson Corp.; Blyth & Co., Inc. **Bids** — Expected to be received on March 22 up to 11:00 a.m. (EST) at the office of Irving Trust Co., 47th floor, One Wall St., New York City.

**Atlantic Fund for Investment in U. S. Government Securities, Inc. (3/13-17)**
July 22, 1960, filed 2,000,000 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.

● **Audiographic Inc.**
Feb. 27, 1961 filed 150,000 shares of common stock. **Price** —$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

**Automatic Canteen Co. of America**
Feb. 7, 1961 filed 127,725 outstanding common shares. **Price** — To be supplied by amendment. **Business**—The development, manufacture, sale, lease and servicing of vending machines. **Proceeds**—To the selling stockholders. **Office**—Merchandise Mart Plaza, Chicago, Ill. **Underwriter**—None.

**Automation Development, Inc. (3/20-24)**
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y.

● **Automation Laboratories, Inc. (3/13-17)**
Jan. 26, 1961 (letter of notification) 66,700 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company is engaged in the research and development of infra-red devices used for the alignment of ballistic missiles and space vehicles, for automatic positioning of machinery operations and for geodetic surveys. **Offices** — 80 Urban Ave., Westbury, and 179 Liberty Ave., Mineola, N. Y. **Underwriter**—Sandkuhl and Co., Newark, N. J., and New York City.

★ **B. M. C. Industries, Inc.**
March 1, 1961 filed 50,000 shares of 7% non-cumulative preferred stock (par $7.50); and 200,000 shares of common stock (par one cent), of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holder thereof. The offering will be made in units, each unit to consist of one preferred share and four common shares. **Price**—$11.50 per unit. **Business**—The company, formerly Beakatron Manufacturing Corp., manufactures, assembles and distributes a diverse line of electronic components for use in guidance and communication systems. **Proceeds**—For expansion and working capital. **Office**—1101-1109 Utica Ave., Brooklyn, N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

**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 March.

● **Bal-Tex Oil Co.**
Dec. 22, 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 and gas properties. **Office** — First National Bank Building, Denver, Colo. **Underwriter**—Equity General Investment Corp., First National Bank Building, Denver, Colo. **Note** —This offering has been suspended.

**Baruch (R.) & Co.**
Sept. 20, 1960 (letter of notification) 15,000 shares of class A common stock (par $3.75). **Price**—$10 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.

**Beckman Instruments, Inc. (3/28)**
Feb. 21, 1961 filed 70,000 shares of common stock (par $1) to be offered for subscription by common stockholders of record March 28, on the basis of one share for each 20 shares held. **Price**—To be filed by amendment. **Business**—Manufactures electronic instruments, components and systems, including precision analytical instruments, computers, precision potentiometers, radiation and medical instruments. **Office** — 2500 Fullerton Road, Fullerton, Calif. **Underwriter**—Lehman Brothers, New York City (managing).

● **Benbow Astronautics, Inc. (3/13-17)**
Jan. 18, 1961 (letter of notification) 100,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business** — The company supplies the missile and aircraft industries with hydraulic valves and regulators and related mechanical components. **Proceeds**—For additional working capital and for research and development in the fields of cryogenics and high temperature pneumatic systems. **Office**—Culver City, Calif. **Underwriters**—Edward Hindley & Co. (managing); T. M. Kirsch & Co.; Cortlandt Investing Corp., and H. B. Crandall & Co.

● **Beryllium Manufacturing Corp.**
Feb. 27, 1961 filed 105,000 shares of common stock. **Price** —$4.50 per share. **Business** — The fabrication of pure beryllium components and other materials. **Proceeds**—For expansion and inventory, with the balance for working capital. **Office**—253 W. Merrick Rd., Valley Stream, L. I., N. Y. **Underwriter**—Eldes Securities Corp., New York City.

● **Bicor Automation Industries, Inc.**
Jan. 23, 1961 filed 110,000 shares of class A common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all the capital stock of four corporations in Fairview, N. J., whose principal business is the importation and sale of embroidery manufacturing machinery. **Proceeds**—For new equipment and working capital. **Office** — 333 Bergen Boulevard, Fairview, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York City. **Offering** — Expected in late March.

● **Blatt (M.) Co. (4/10-14)**
Feb. 28, 1961 filed 100,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business** — The issuer manufactures and installs bowling lanes and related equipment. **Proceeds**—For expansion, new equipment, the repayment of debts and for working capital. **Office**—315 Third St., Trenton, N. J. **Underwriters**—Maltz, Greenwald & Co., New York City (managing); Clayton Securities Corp., Boston, Mass.; Rodetsky, Kleinzahlee, Walker & Co., Jersey City, N. J.; and L. C. Wegard & Co., Levittown, N. J.

● **Borman Food Stores, Inc.**
Feb. 14, 1961 filed 52,000 outstanding shares of common stock. **Price**—To be related to the current market price on the New York Stock Exchange at the time of the offering. **Business** — Operates a chain of "Food Fair" supermarkets in the Detroit area. **Proceeds** — For the selling stockholders. **Office** — 12300 Mark Twain Ave., Detroit, Mich. **Underwriter** — Shields & Co. New York City. **Offering**—Expected sometime in May.

★ **Boston Equity Exchange Fund, Inc.**
March 2, 1961 filed 100,000 shares of common stock to be offered to those who wish to exchange securities owned by them for shares of the Fund, with the minimum deposit of securities to have at least $5,000 of market value on the day of deposit. **Business**—An open-end diversified investment company organized in Massachusetts in January 1960. **Proceeds** — For investment. **Office** — 31 Milk St., Boston, Mass. **Underwriter**—F. L. Turgeon Associates, Inc., Boston, Mass.

★ **Briel Industries, Inc.**
Feb. 17, 1961 (letter of notification) 11,590 shares of class A common stock (par $2.50) to be offered for subscription by stockholders on the basis of one new share for each 16 shares held. **Price**—$8 per share. **Proceeds**—For construction and working capital. **Address**—Industrial Park, Shelbyville, Ky. **Underwriters**—J. J. B. Hilliard & Son and Stein Bros. & Boyce, both of Louisville, Ky.

● **Bristol Dynamics Inc. (3/13-17)**
Feb. 7, 1961 filed 100,000 shares of common stock, of which 70,000 shares will be offered for public sale by the company and 30,000 by a selling stockholder. **Price**—$7 per share. **Business**—The designing engineering, producing and selling of electrical and mechanical assemblies, electronic and missile components and special tools. **Proceeds** — The company will use its portion of the proceeds to pay bank loans, expand inventory and purchase raw material, acquire new and larger facilities for business and for research and development and for working capital. **Office** — 219 Alabama Ave., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York City.

★ **Broadcast International, Inc.**
Feb. 28, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—120 Broadway, New York 5, N. Y. **Underwriter** — Harry Odzer Co., New York, N. Y.

● **Brooks Instrument Co., Inc.**
Feb. 16, 1961 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—Formerly known as Brooks Rotameter Co., the firm manufactures variable area flow meters, generally called "rotometers." **Proceeds**—For European expansion, research and development, and working capital. **Office**—407 West Vine St., Hatfield, Pa. **Underwriter**—Andresen & Co., New York City. **Offering**—Expected in late March.

**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 Financial Corp.**
Feb. 23, 1961 filed 88,977 shares of capital stock, of which 35,000 are to be offered for public sale by the company and 53,977 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company, through a subsidiary is engaged in the savings and loan business in the San Francisco area. It also conducts an insurance agency business, renders management services to its subsidiaries and participates in the financing of real estate development projects. **Proceeds**—For the repayment of loans and for expansion. **Office** — 11 Tillman Place, San Francisco, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and J. Barth & Co., San Francisco. **Offering**—Expected in early April.

★ **Capital Realty Trust**
Feb. 21, 1961 (letter of notification) 27,000 trust shares, series A. **Price**—$10 per share. **Proceeds**—For real estate investments. **Office**—Premier Bldg., Suite 216, 1725 Eye St., N. W., Washington, D. C. **Underwriter**—None.

**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.

★ **Central Cooperatives, Inc.**
Feb. 28, 1961 (letter of notification) $250,000 of promissory notes of which $25,000 of notes will pay 4% interest and mature in six years, and $225,000 will pay 5% interest and mature in nine years, to be offered in units of $100 each. **Price**—$100 per unit. **Proceeds**—To retire notes and for working capital. **Office** — 1901 Winter Street, Superior, Wis. **Underwriter**—None.

**Central Hadley Corp.**
Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par $10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stellardyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds** —To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

★ **Centriblast Corp.**
March 1, 1961 (letter of notification) 42,500 shares of capital stock (par $1). **Price**—$2 per share. **Proceed** — For organizational expenses. **Office**—620 W. Warrington Avenue, Pittsburgh, Pa. **Underwriter**—None.

● **Cerel-Perini Associates, Inc.**
Feb. 27, 1961 filed 200,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company is engaged in the business of acquiring and developing land for use as industrial parks. **Proceeds**—For acquisitions, preparation of land and the construction of buildings for lease. **Office**—17 Strathmore Road, Natick, Mass. **Underwriter**—Bear, Stearns & Co., New York City (managing). **Offering**—Expected in mid-to-late April.

**Chalco Engineering Corp. (4/17)**
Jan. 30, 1961 filed 100,000 shares of common stock. **Price** —$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

★ **Charles of the Ritz, Inc.**
March 7, 1961 filed 215,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The firm makes and sells cosmetics and toilet preparations for women and, through a subsidiary, makes and sells pencils and ball point pens and related products. **Proceeds**—For a selling stockholder. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., Inc., New York City (managing). **Offering** —Expected in late April.

**Church Builders, Inc.**
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

● **Circle Controls Corp. (3/15)**
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 1961 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. (3/20-24)**
Dec. 21, 1960, filed 300,000 shares of common stock. **Price**—$5.50 per share. **Business**—A small business in-

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vestment 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).

**★ Claude Southern Corp.**
Feb. 27, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents) of which 60,000 shares are to be offered for the account of the company and 10,000 shares by a selling stockholder. **Price** — $4 per share. **Proceeds**—To retire bank loans, purchase machinery and equipment, and for expansion and working capital. **Office**—3950 N. W. 31st Ave., Miami, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

**Clifton Precision Products Co., Inc. (3/27-31)**
Feb. 16, 1961 filed 60,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, development, produtcion and sale of synchros, instrument servo-motors and certain servo-mechanisms for use primarily in aircraft and missiles. **Proceeds**—For the selling stockholder. **Office** — Marple Ave., at Broadway, Clifton Heights, Pa. **Underwriter**—W. C. Langley & Co., New York City.

**★ Coastal Acceptance Corp.**
March 1, 1961 (letter of notification) $175,000 of 10-year 7% registered series notes to be offered in varying denominations of $100 to $1,000. **Proceeds** — For general corporate purposes. **Office** — 36 Lowell Street, Manchester, N. H. **Underwriter**—Shontell & Varick, Manchester, N. H.

**Coastal Dynamics Corp.**
Jan. 30, 1961 filed 125,000 shares of class A stock. **Price** — $3 per share. **Business** — The company (formerly Coastal Manufacturing Corp.) merged with Wesco Plastic Products, Inc., and is principally engaged in the development, manufacture and sale of edge-lighted instrument and control panels for use in the aircraft, missile and electronic industries. **Proceeds** — For new equipment; payment of debts; to increase inventory of electronic component parts; and for working capital. **Office**—219 Rose Avenue, Venice, Calif. **Underwriter** — V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing). **Offering**—Expected sometime in April.

**● Colber Corp. (3/13-17)**
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine Street, New York 5, N. Y.

**● Coleman Engineering Co., Inc.**
Feb. 28, 1961 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The design, development, manufacture and sale of missile ground handling equipment, electromechanical parts, products and systems. **Proceeds**—To retire bank borrowings, with the balance for working capital and general corporate purposes. **Office**—1010 South Flower St., Los Angeles, Calif. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. (managing).

**Colonial Mortgage Service Co. (3/13-17)**
Jan. 31, 1961 filed 100,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business** —Originating and servicing mortgage loans for institutional investors. **Office** — 141 Garrett Road, Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly).

**● Colorite Plastics, Inc. (3/10)**
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).

**Commerce Oil Refining Corp.**
Dec. 16, 1958 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price** — To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

**Commonwealth International & General Fund, Inc.**
Dec. 19, 1960, filed 400,000 shares of common capital stock. **Price**—$12.50 per share. **Business**—A diversified, open-end, managed investment company. **Proceeds**—For investment. **Office**—615 Russ Bldg., San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco (dealer-manager).

**Community Research & Development, Inc.**
Feb. 27, 1961 filed 620,445 shares of common stock to be offered for subscription by holders of its common stock and 6% convertible debentures due Jan. 1, 1972 on the basis of one new share for each two common shares held, and 105 shares for each $1,000 of debentures held. **Price** —To be supplied by amendment. **Business**—The development, ownership and management of income producing real estate projects. **Proceeds** — For construction. **Office**—14 West Saratoga Street, Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

**● Consolidated Activities, Inc.**
Feb. 28, 1961 filed $1,000,000 of 6½% convertible subordinated debentures, due April 30, 1976, to be offered by the company and 50,000 shares of common stock (par 50c) to be offered by a selling stockholder. **Price**—(Debenture) 101% of the principal amount. (Stock) $3.50 per share. **Business**—The issuer is principally engaged in the construction and operation of bowling alleys. **Proceeds**—To retire a mortgage and outstanding debentures, for construction of a new bowling alley, and for general corporate purposes. **Office**—26 West Northfield Road, Livingston, N. J. **Underwriter**—G. F. Nicholls & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

**● Consolidated Realty Investment Corp.**
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark. **Note**—This statement was withdrawn on March 7.

**★ Contract Battery Manufacturing Co.**
Feb. 28, 1961 (letter of notification) 10,000 shares of common stock (par $10). **Price**—$15 per share. **Proceeds** —For expense of issue and manufacturing facilities. **Office** — 3505-50th Street, Tampa, Fla. **Underwriter** — None.

**Copter Skyways, Inc. (3/20)**
Jan. 16, 1961 filed 15,000,000 shares of no par common stock. **Price**—3 cents per share. **Proceeds**—To acquire the equipment, real estate and other materials necessary to commence business. **Office**—Penn-Sheraton Hotel, Pittsburgh, Pa. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

**Cortez Life Insurance Co.**
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

**Cumberland Shoe Corp.**
Jan. 3, 1961 (letter of notification) 37,115 shares of common stock (par 50 cents) being offered for subscription by stockholders of the company of record Jan. 1 with the right to purchase one share for each five shares held. Rights expire on March 22 at 4:30 p.m. (CST). **Price**—$3.75 per share. **Office** — North Margin Street, Franklin, Tenn. **Underwriter**—Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

**● Custom Components, Inc.**
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y. (managing); Bioren & Co. and Wm. Stix Wasserman & Co., Inc., New York City, Chace, Whiteside & Winslow, Inc., and Draper, Sears & Co., Boston, Mass.

**● Customline Control Panels, Inc. (4/3-7)**
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Proceeds**—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

**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.

**● Dekcraft Corp. (4/10-14)**
Feb. 15, 1961 filed 92,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The company, formerly Supreme Ribbon Corp., manufactures, converts and packages gift wrappings. **Proceeds**—For the repayment of bank loans and for woking capital. **Office**—15 Burke Lane, Syosset, New York. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City.

**Delanco Electric Machine Co., Inc.**
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office** —111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y.

**Delta Design, Inc.**
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price** —$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

**Detroit Tractor, Ltd.**
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

**Dixie Natural Gas Corp. (4/3)**
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. (4/6)**
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.

**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.

**● Dynamic Instrument Corp. (3/20-24)**
Jan. 27, 1961 filed 150,000 shares of common stock (full registration). **Price**—$2 per share. **Business**—The company is engaged in the design, manufacture and sale of electro-magnetic clutches and brakes and in the machinery of precision instrument components on a sub-contract basis. **Proceeds**—To repay loans, complete and develop new products and for working capital. **Office**—59 New York Ave., Westbury, L. I., N. Y. **Underwriters** —T. W. Lewis & Co., Inc., and Amos Treat & Co., Inc., both of New York City and Bruno-Lenchner, Inc., Pittsburgh.

**● Dynatronics, Inc. (4/3-7)**
Feb. 3, 1961 filed 120,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company is engaged in the design, manufacture and sale of electronic equipment and systems, including antenna, digital and timing systems. **Proceeds**—For repayment of bank loans, new equipment and working capital. **Address**—P. O. Box 2566, Orlando, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

**● 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.

**● Eastern Can Co., Inc. (3/20-24)**
Jan. 23, 1961 filed 200,000 shares of class A stock. **Price** —$7 per share. **Business**—The company is engaged in the business of manufacturing tin plate cans for the packaging and marketing of different types of food, petrochemicals and other products. **Proceeds**—For new equipment; completion of a new manufacturing plant at Passaic, N. J.; the moving of metal container manufacturing equipment from Brooklyn to Passaic, and for working capital. **Office** — 649 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York City.

**● Economics Laboratory, Inc. (3/21)**
Feb. 10, 1961 filed $4,000,000 of convertible debentures due April 1, 1976. **Price**—To be supplied by amendment. **Business**—The manufacturing and selling of detergents and cleaning agents for commercial dishwashing and household use. **Proceeds** — For the repayment of notes, for new facilities and for working capital. **Office**—914 Guardian Bldg., St. Paul, Minn. **Underwriters** — W. E. Hutton & Co., Cincinnati, O., and Kalman & Co., Inc., St. Paul, Minn. (managing).

**Electro Consolidated Corp. (3/27-31)**
Jan. 27, 1961 filed 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged in the design, manufacture, distribution and sale of fluorescent and incandescent lighting fixtures for commercial and industrial use, and the manufacture and sale of household appliances including broilers and food-slicers. **Proceeds**—For the repayment of bank loans, new equipment, and working capital. **Office** — Spruce and Water Streets, Reading, Pa. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

**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.

● **Elion Instruments, Inc.** (4/3-7)
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.

★ **Endevco Corp.** (4/25)
March 1, 1961 filed 125,000 shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of piezoelectric transducers and associated electronic equipment. **Proceeds**—For equipment and working capital. **Office**—161 East California Blvd., Pasadena, Calif. **Underwriter**—White, Weld & Co., New York City (managing).

★ **Essex Fund, Inc.**
March 6, 1961 filed 1,000,000 shares of capital stock to be offered for a period of three months to Massachusetts residents and then to be offered to the general public. **Price**—$10 per share (net) to Massachusetts residents, and at net asset value plus a sale charge of 8¾% to the public. **Business**—The fund was organized under Massachusetts law in March, 1961, by Fidelity Management & Research Co. to seek possible growth of capital primarily through a portfolio over-the-counter securities. **Proceeds**—For investment. **Office**—35 Congress Street, Boston, Mass. **Distributor**—The Crosby Corp., Boston, Mass.

● **Fabien Corp.**
Feb. 27, 1961 filed 60,000 shares of outstanding common stock. **Price**—$6.75 per share. **Business**—The company, formerly Fabien Textile Printing Corp., is engaged in the printing of colored designs on various types of materials. **Proceeds** — To selling stockholders. **Office**—Lodi, N. J. **Underwriter**—Goodbody & Co., New York City (managing).

● **Falls Plaza Limited Partnership** (3/13-17)
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.

**Faradyne Electronics Corp.**
Jan. 30, 1961 filed $1,500,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—To be named.

★ **Fashion Originals, Inc.**
Feb. 18, 1961 (letter of notification) 500 shares of common stock. **Price**—At par ($50 per share). **Proceeds**—For operational expenses and an accumulated reserve fund for merchandise purchases and manufacturing credit. **Office**—200 N. 85th Street, Seattle 3, Wash. **Underwriter**—None.

**Federal Shell Homes, Inc.**
Feb. 23, 1961 filed 675,000 shares of common stock; $1,350,000 of 9% convertible subordinated debentures (par $10); and 135,000 1964 warrants to be offered for public sale in 135,000 units, each unit to consist of five common shares, one debenture and one warrant. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—225 West Carolina St., Tallahassee, Fla. **Underwriter** — Pierce, Carrison Wulbern, Inc., Jacksonville, Fla. (managing).

★ **Filtra-Sonic Corp.**
Feb. 27, 1961 (letter of notification) 51,250 shares of common stock (par 50 cents). **Price**—$4 per share. **Office**—120 W. Providencia, Burbank, Calif. **Underwriter** — Gregory-Massari, Inc., Beverly Hills, Calif.

**First American Investment Corp.**
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

**First Small Business Investment Company of Tampa, Inc.**
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

**Florida Guaranty Title & Trust Co.**
Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). **Price**—$3.60 per share. **Proceeds** — To pay a second mortgage instalment, for advertising, and for working capital. **Office**—1090 N. E. 79th St., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

● **Forcite, Inc.** (3/13-17)
Jan. 26, 1961 filed 150,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of a specialized line of furniture, and the operation of a chain of retail furniture stores in New York City, Chicago, Ill., and Los Angeles, Calif. **Proceeds**—To repay loans, discharge outstanding 7% debentures due in March 1962, finance the opening of new retail outlets and for working capital. **Office**—117-20 14th Road, College Point, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City.

● **Fulton Industries, Inc.**
Feb. 21, 1961 filed 233,955 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—Produces textiles, automotive parts, metal castings, cotton ginning equipment and pre-engineered steel buildings. **Proceeds**—To selling stockholders. **Office**—Atlanta, Ga. **Underwriters** — Robinson-Humphrey Co., Inc., Atlanta, Ga., and Walston & Co., Inc., New York City (managing).

● **Fund of America, Inc.** (3/13-17)
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.

**G-W Ameritronics, Inc.**
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

**General Supermarkets, Inc.**
Jan. 17, 1961 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To be used as working capital to expand the number of supermarkets. **Office**—200 Main Ave., Passaic, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., Inc., New York City (managing). **Offering**—Expected in late March.

**General Telephone Co. of Florida** (3/14)
Feb. 21, 1961 filed 400,000 shares of cumulative preferred stock (par $25). **Price**—At par. **Business**—This subsidiary of General Telephone & Electronics Corp., operates a telephone system in Florida. **Proceeds**—For the repayment of bank loans. **Office**—610 Morgan St., Tampa, Fla. **Underwriters** — Paine, Webber, Jackson & Curtis, New York City (managing); Stone & Webster Securities Corp., New York City, and Mitchum, Jones & Templeton, Los Angeles, Calif.

**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.

★ **Geriatric Pharmaceutical Corp.**
Feb. 28, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The distribution and sale of geriatric pharmaceuticals. **Proceeds**—For general corporate purposes. **Office**—45 Commonwealth Boulevard, Bellerose, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y.

**Giannini Scientific Corp.**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

★ **Gizmo Records, Inc.**
March 2, 1961 (letter of notification) 74,997 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For general corporate purposes. **Office**—63 Amsden Street, Arlington, Mass. **Underwriter**—None.

★ **Gold Eagle Mines, Inc.**
Feb. 27, 1961 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To develop property. **Office**—225 Harmony Drive, Longview, Wash. **Underwriter**—None.

● **Gold Medal Packing Corp.** (3/13-17)
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 specialists. It also sells certain dairy products. **Underwriter**—Capital Investment Co., Newark, N. J.

**Grayco Credit Corp.**
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville, Tenn.

**Great Lakes Bowling Corp.**
Feb. 24, 1961 filed $1,250,000 of 6% convertible subordinated debentures, due 1976. **Price**—$1,000 per debenture. **Business**—The operation of bowling centers with adjoining refreshment facilities in Michigan. **Proceeds**—For construction and working capital. **Office** — 6366 Woodward Ave., Detroit, Mich. **Underwriter**—None.

● **Greenfield Real Estate Investment Trust** (3/21)
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).

★ **Guaranty National Insurance Co.**
Feb. 27, 1961 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—For investment and the operation of the company. **Office**—916 Broadway, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

★ **Holyoke Motor Lodge Associates**
Feb. 28, 1961 (letter of notification) $270,000 of preferred limited partnership interest to be offered in units of $5,000. **Proceeds**—For payments of allowances of all charges and expenses incurred in operation of a partnership; for working capital and improvements. **Office**—c/o Samuel Seigel & Ann Seigel, 51 Flower Hill, Poughkeepsie, N. Y. **Underwriter**—None.

**Home Lab Supply, Inc.** (4/3-7)
Feb. 15, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of educational and scientific equipment for boys and girls. **Proceeds**—For general corporate purposes. **Office**—511 Homestead Avenue, Mount Vernon, N. Y. **Underwriter**—Fontana Securities Inc., New York, N. Y.

● **Honey Dew Food Stores, Inc.** (3/13-17)
Jan. 27, 1961 (letter of notification) 116,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — Capital Investment Co., Newark, N. J.

★ **Hopewell Investment Corp.**
Feb. 21, 1961 (letter of notification) 18,150 shares of common stock (par $1) to be offered for subscription by present stockholders of the company. **Price**—$3 per share. **Proceeds**—To repay a note. **Address**—Petersburg, Va. **Underwriter**—None.

● **Hydro-Electronics Corp.** (3/17)
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** — Amber, Burstein & Co., Inc., 40 Exchange Place, New York City.

**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 Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

● **Income Planning Corp.** (3/13-17)
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

★ **Index-Daley Mines Co.**
Feb. 17, 1961 (letter of notification) 2,331,348 shares of assessable common stock. **Price**—At par (10 cents per share). **Proceeds**—For taxes, licenses, the repayment of debts and for working capital. **Office**—114½ N. Main Street, Salt Lake City, Utah. **Underwriter**—None.

**Industrial Instrument Corp.**
Feb. 27, 1961 filed 60,000 shares of 6% second series cumulative convertible preferred stock (par $10) to be offered for subscription by the holders of its outstanding common and first series preferred stock on the basis of one new share of preferred for each eight shares of common and one new share for each share of preferred held. **Price**—To be supplied by amendment. **Business**—The

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manufacture and sale of instruments used to measure and control the flow, level, pressure and temperature of liquids and gases. **Proceeds**—To repay loans, buy new equipment and for working capital. **Office**—8400 Research Road, Austin, Texas. **Underwriter**—None.

**Inter-Mountain Telephone Co. (3/17)**
Feb. 23, 1961 filed 465,000 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each three shares held of record March 17. **Price**—To be supplied by amendment. **Proceeds** — For the repayment of loans. **Office**—Bristol, Tenn. **Underwriter**—Courts & Co., Atlanta, Ga. and New York City (managing).

● **International Diode Corp.**
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—T. M. Kirsch Co., New York City, is no longer underwriting. New underwriter is Hamilton Waters & Co., Inc., Hempstead, L. I., N. Y. **Offering**—Imminent.

**International Life Insurance Co. of Buffalo**
Feb. 21, 1961 filed 350,000 shares of capital stock. **Price**—$5 per share. **Business**—The company was organized under New York law in March 1960 and is licensed to conduct an insurance business in that state, but has not commenced operations as of the filing date. **Proceeds**—For the general conduct of business and the setting up of reserves against policies as written. **Office**—310 Delaware Ave., Buffalo, N. Y. **Underwriter**—None.

**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.

● **International Photocopy Corp.**
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Price** — $3 per share. **Business** — Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office** — 564 W. Randolph St., Chicago, Ill. **Underwriter** — J. J. Krieger & Co., New York City.

**International Safflower Corp.**
Aug. 3, 1960 filed 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

★ **Invesco Collateral Corp.**
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

● **Irvington Steel & Iron Works (3/27-31)**
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business** — Fabricators of structural steel. **Proceeds** — For general corporate purposes. **Office** — Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J.

**Israel Development Corp.**
Nov. 21, 1960 filed $3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of $500, $1,000 and $5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None.

● **Jefferson Lake Asbestos Corp. (3/21-22)**
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).

● **Jensen Industries (3/13-17)**
Feb. 9, 1961 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—For expansion. **Office**—165 So. Mission Rd., Los Angeles, Calif. **Underwriters**—Maltz, Greenwald & Co., New York City and Thomas Jay, Winston & Co., Los Angeles, Calif.

● **Jet-Aero Corp. (3/20)**
Feb. 10, 1961 (letter of notification) 62,500 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To purchase new machinery and equipment, increase inventory, research and development and working capital. **Office**—950 S. E. 8th St., Hialeah, Fla. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y.

**Jodmar Industries, Inc.**
Feb. 24, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Design, lay-out, installation and maintenance of industrial heating and air-conditioning systems. **Proceeds**—For the purchase of inventory for current business; purchase of machinery, equipment and inventory for proposed manufacturing business; sales promotion and reserves. **Office**—8801-11 Farragut Road, Brooklyn 36, N. Y. **Underwriter**—Fontana Securities, Inc., 82 Beaver Street, New York, N. Y.

● **Jouet, Inc.**
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par five cents). **Price** — $2 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. **Offering**—Imminent.

**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 in March.

**Kavanau 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 April.

● **Kings Electronics Co., Inc.**
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing). **Offering**—Expected in early April.

● **(S.) Klein Department Stores, Inc.**
Jan. 23, 1961 filed 130,000 shares of common stock, of which 72,000 shares are to be offered directly to five persons at the initial offering price and 58,000 shares are to be offered for public sale at a price related to the current market for outstanding shares at the time of the offering. **Business**—The company operates four department stores in the New York City area. **Proceeds** — To purchase from the Prudential Insurance Co. of America, $1,350,000 of the company's 4½% notes due Sept. 1, 1969. The balance of the proceeds will be added to working capital. **Underwriter**—Emanuel, Deetjen & Co., New York City. **Offering**—Imminent.

**Knapp & Tubbs, Inc.**
Feb. 13, 1961 filed 150,000 outstanding shares of common stock. **Price**—$4 per share. **Business**—The selling at wholesale of home furniture, interior decorative furnishings and are objects. **Proceeds**—To the selling shareholders. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla. (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.

★ **Kreisler (Charles), Inc. (4/17)**
Feb. 27, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—Sale and rental of automobiles. **Proceeds**—Acquisition of cars for rental purposes; acquisition of additional salesroom; advertising and sales promotion and for working capital. **Office**—241 Park Avenue, New York, N. Y. **Underwriter**—Albion Securities Co., Inc., New York, N. Y.

**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.

● **Lafayette Radio Electronics Corp. (3/15-16)**
Jan. 27, 1961 filed $2,500,000 of convertible subordinated debentures due 1976 to be offered for public sale by the company, and 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged in the business of distributing an extensive line of electronic parts and equipment and high fidelity sound components, and in the engineering, designing, assembling and distributing of electronic equipment in kit and wired form. **Proceeds**—For the repayment of loans, for new equipment and for working capital. **Office** — 165-08 Liberty Avenue, Jamaica, N. Y. **Underwriters**—C. E. Unterberg, Towbin Co., New York City.

**Lake Aircraft Corp.**
Feb. 14, 1961 (letter of notification) $300,000 of 6½% convertible subordinated debentures, series A, due March 1, 1981. **Price**—At face value. **Proceeds**—To reduce short-term loans and for working capital. **Address**—Sanford, Maine. **Underwriter**—Mann & Creesy, 70 Washington St., Salem, Mass.

**Lake Arrowhead Development Co. (3/27-31)**
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 (managing) and Sutro & Co., San Francisco.

**Landmark Corp.**
Jan. 27, 1961 filed 30,000 shares of $5 par common stock. **Price**—$10 per share. **Proceeds**—For construction, cost of land, office equipment, and working capital. **Office**—212 W. Jefferson St., Fort Wayne, Ind. **Underwriter**—First Security Corp., Fort Wayne, Ind.

**"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.

● **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.

**Le-Wood Homes, Inc.**
Jan. 19, 1961 (letter of notification) 100,000 shares of common stock (par 50 cents) and 100,000 of 9% convertible debentures due March 1, 1971 to be offered in units of 100 shares of common stock and 1-$100 of debentures. **Price**—Of stock, $2 per share; of debentures, $300 per unit. **Proceeds**—For working capital. **Office**—7001 W. Broad St., Richmond, Va. **Underwriter**—Bellamah, Neuhauser & Barrett, Washington, D. C.

**Lockwood Grader Corp.**
Feb. 2, 1961 filed $500,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 15,000 shares of class A common stock), and 30,000 shares of class A common stock. **Price**—To be filed by amendment. **Business**—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. **Proceeds**—For working capital. **Office**—Gering, Nebr. **Underwriter**—First Trust Co. of Lincoln, Neb. **Offering**—Expected in late March.

★ **Majestic Specialties, Inc.**
March 7, 1961 filed 140,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is chiefly engaged in making and selling ladies' sportswear coordinates. **Office** — 2530 Superior Avenue, Cleveland, Ohio. **Underwriter**—Hayden, Stone & Co., New York City (managing).

**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. **Offering**—Imminent.

**Mansfield Industries Inc. (3/27)**
Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture of motion picture projectors and related equipment. **Proceeds** — For general corporate purposes, including working capital. **Office**—1227 West Loyola Ave., Chicago, Ill. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

★ **Marcon Electronics Corp.**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price** — $10 per share. **Business** — Manufacture of electrical and electronic equipment. **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y.

**Marine Capital Corp. (4/3-7)**
Feb. 16, 1961 filed 667,000 shares of common stock. **Price**—$15 per share. **Business**—The company is a closed-end, non-diversified management investment company organized under the Small Business Investment Act of 1958, and a wholly-owned subsidiary of Marine Corp., a

bank holding company. **Proceeds**—For investment. **Office**—622 North Water St., Milwaukee, Wis. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

**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 Structures Corp.**
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

★ **Matthews Corp.**
Feb. 28, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To retire bank loans; purchase new equipment and for working caiptal. **Office**—12923 Cerise Street, Hawthorne, Calif. **Underwriters**—Holton, Henderson & Co., Los Angeles, Calif., and Sellgren, Miller & Co., San Francisco, Calif.

★ **Max Factor & Co.**
March 6, 1961 filed 400,000 shares of class A stock, of which 200,000 are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be related to the current market price of the stock on the American Stock Exchange immediately prior to the offering. **Business**—The development, manufacture and sale of a general line of cosmetics. **Proceeds**—For construction, expansion, additional plant equipment and for working capital. **Office**—1655 North McCadden Place, Hollywood, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

**Mensh Investment & Development Associates, Inc.**
Nov. 17, 1960 filed $969,000 of debentures and 32,300 shares of stock being offered for subscription by stockholders upon the exercise prior to their expiration on March 22 of rights evidenced by subscription warrants to be issued on the basis of one right for each share of capital stock held of record Feb. 10. Thirty-five rights are needed to subscribe for the minimum unit of $750 of debentures and 25 shares of stock. **Price**—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., N. W., Washington, D. C. **Underwriter**—None. **Note**—This statement was effective Feb. 20.

● **Mercury Electronics Corp. (3/13-17)**
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**—S. Schramm & Co. Inc., New York City.

**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. **Note**—Feb. 1 it was reported that the company is awaiting a tax ruling, subsequent to which a decision will be made as to whether or not the offering will be made.

**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. **Offering** — Expected sometime in March.

● **Michigan Gas Utilities Co. (4/10-14)**
Feb. 23, 1961 filed 100,000 shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Business**—The distribution of natural gas to some 50 localities in southern and western Michigan having a total population of about 287,500. **Proceeds**—The net proceeds, together with the private sale of $3,500,000 of first mortgage bonds, will be used to repay short-term bank loans incurred for construction, and other corporate purposes. **Office**—6 South Monroe St., Monroe, Mich. **Underwriter**—Kidder, Peabody & Co. Inc., 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.

● **Minitone Electronics, Inc. (3/13-17)**
Jan. 11, 1961 filed 135,000 shares of common stock for public offering. **Price**—$3 per share. **Business**—The firm was organized last March for the purpose of making and selling small DC motors and certain consumer products using such motors. **Proceeds**—For debt reduction and general corporate purposes, including working capital. **Office**—55 W. 13th St., New York City. **Underwriter**—None.

● **Mississippi River Transmission Corp. (3/28)**
Feb. 17, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, a subsidiary of Mississippi River Fuel Corp., is constructing a natural gas pipe line which will extend from Clay County, Ill., to St. Louis County, Mo., a distance of about 94 miles. **Proceeds**—For construction and working capital. **Office**—9900 Clayton Road, St Louis, Mo. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City and Dempsey-Tegeler & Co., St. Louis, Mo. (managing).

**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—65¢ convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Offering**—Imminent.

● **Modern Furniture, Inc.**
Jan. 12, 1961 (letter of notification) 300,000 shares of class A common stock. **Price** — At par ($1 per share). **Proceeds**—To purchase furniture and for working capital. **Office**—First National Bank Building, Denver, Colo. **Underwriter** — Equity General Investment Corp., First National Bank Bldg., Denver, Colo. **Note**—This offering has been suspended.

● **Mohawk Insurance Co. (3/13-17)**
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.

**Mokan Small Business Investment Corp., Inc.**
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

● **Monarch Electronics International, Inc.**
Oct. 31, 1960 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriters**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif., and Russell & Saxe, Inc., New York City. **Offering**—Expected in March.

**Mortgage Guaranty Insurance Co.**
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. The offering has been temporarily postponed.

**Morton Foods, Inc.**
Feb. 17, 1961 filed 190,000 shares of common stock, of which 178,000 are to be offered for public sale by the company and 12,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company manufactures, processes, packages and sells many food items such as potato chips, salad dressing, pickels, honey, tea and spices. **Proceeds** — To build and equip two additional manufacturing plants and warehouses. **Office** — 6333 Denton Dr., Dallas, Tex. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas, Tex. (managing).

**Municipal Investment Trust Fund, Series A (3/20-24)**
Sept. 1, 1960 filed $20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of the United States, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Note**—This statement was effective on Feb. 14.

**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**—Indefinite.

**National Bowl-O-Mat Corp.**
Feb. 24, 1961 filed 220,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company was organized under New Jersey law on Jan. 10, 1961 for the purpose of owning and operating a national chain of bowling centers. **Proceeds** — For expansion, repayment of loans, working capital and other general corporate purposes. **Office** — 152 Market St., Paterson, N. J. **Underwriter**—Granbery, Marache & Co., New York City (managing). **Offering**—Expected in early April.

● **National Food Marketers, Inc. (3/20-24)**
Jan. 27, 1961 filed 100,000 shares of common stock. **Price** $4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City.

**National Western Insurance & Growth Fund, Inc.**
Jan. 27, 1961 filed 111,000 shares of common stock, of which 11,000 will first be offered to not more than 25 persons and the remaining 100,000 will be offered for public sale. **Price** — $9.15 per share (for the 11,000 shares), and $10 per share (for the 100,000 shares). **Business**—The company was organized under Delaware law in August 1960 to invest in companies believed to have growth possibilities, especially in the life insurance field. **Proceeds**—For investment. **Office**—737 Grant St., Denver, Colo. **Distributor** — National Western Management Corp., Denver, Colo.

**Nedick's Stores, Inc.**
Feb. 21, 1961 filed 185,000 shares of common stock (par 20 cents), of which 60,000 shares are to be offered for the account of the company and 125,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—513 West 166th St., New York, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected sometime in April.

**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.

● **North American Car Corp. (4/3-7)**
Feb. 21, 1961 filed 150,000 shares of common stock. **Price**—To be related to the market price for the outstanding shares at the time of the offering. **Proceeds** — For refinancing equipment trust notes, with the balance for working capital. **Office**—Chicago, Ill. **Underwriters**—Glore, Forgan & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City.

★ **Nuuanu Associates**
Feb. 23, 1961 (letter of notification) $130,000 of pre-form limited partnership interest to be offered in units of $5,000. **Proceeds**—For expenses of a lease; removal of an old building; sewer; a building contract; payment of an architect and for miscellaneous expenses. **Office**—Room 506 Stangenwald Building, Honolulu, Hawaii. **Underwriter**—None.

**Nytronics, Inc. (3/20)**
Jan. 27, 1961 filed 100,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The company is engaged in the development, design, production and sale of electronic components for use in communications equipment, missiles, commercial computers, servos, commercial radio and television, data-handling, navigational, and industrial control equipment. **Proceeds**—For expansion, new equipment, and working capital. **Office**—550 Springfield Ave., Berkeley Heights, N. J. **Underwriter**—Norton, Fox & Co., Inc., New York City (managing).

**Ohio-Franklin Fund, Inc. (4/17)**
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

**One Maiden Lane Fund, Inc.**
March 2, 1961, expected to file 300,000 shares of common stock. **Price**—$3 per share. **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 & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

**Packard Instrument Co., Inc. (4/3-7)**
Feb. 13, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is engaged in the development, manufacture and sale of scientific instruments. **Proceeds**—For general corporate purposes, including research and debt reduction. **Office**—Lyons, Ill. **Underwriter** — A. G. Becker & Co. Inc., Chicago, Ill. (managing).

● **Palm Developers Limited**
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

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**Panacolor, Inc.**
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price**—$4 per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. **Underwriter** — Federman, Stonehill & Co., New York City (managing). **Offering**—Expected sometime in April.

**Panoil Co.**
Feb. 23, 1961 filed 3,000,000 shares of capital stock to be offered for subscription by stockholders in units (each unit consisting of four shares) on the basis of one unit for each share of capital stock held. **Price**—To be supplied by amendment. **Business**—The company, formerly Pan American Land & Oil Royalty Co., was organized in 1956 to acquire petroleum concessions in Cuba. It obtained stock in certain Cuban royalty and concession holding companies, which stock is now considered without value. At present the company has petroleum concession rights in Colombia, Turkey and Trinidad. **Proceeds**—To repay debts and for working capital. **Office**—1130 Republic National Bank Bldg., Dallas, Tex. **Underwriter**—None.

**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.

**Pecos Land & Development Co., Inc.**
Jan. 31, 1961 filed 4,000,000 shares of common stock, of which 500,000 are to be offered for public sale by officers of the company at $1 per share; 1,897,661 shares are to be exchanged for various assets and businesses, and may be offered for sale by the holders; and 914,574 shares may be issued by the company from time to time in the acquisition of additional properties. **Business**—The acquiring, holding, developing and selling of land, and oil and gas and mining properties, all located principally in the Southwestern and Rocky Mountain regions of the United States. **Proceeds** — For general corporate purposes. **Office**—207 Shelby St., Santa Fe, New Mexico. **Underwriter**—None.

**Personal Property Leasing Co. (3/20-24)**
Jan. 24, 1961 filed 150,000 shares of capital stock. **Price**—$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds** — For additional working capital. **Office** — 6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

**Peterson Building Corp.**
Feb. 24, 1961 filed $630,000 of 5½% leasehold mortgage sinking fund bonds to be offered for public sale in denominations of $1,000 and $500. **Business**—The company is constructing a building on leased premises in the business district of Lincoln, Neb., which will provide street level space for retail tenants and a six-level, self-parking garage. **Proceeds**—For construction. **Office**—National Bank of Commerce Bldg., Lincoln, Neb. **Underwriters**—Ellis, Holyoke & Co., and Commerce Investment Co., both of Lincoln, Neb.

**★ Pharmaceutical Vending Corp.**
Feb. 17, 1961 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For machinery and equipment, plant facilities, inventory and working capital. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

**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.

**Photronics Corp. (6/15)**
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

**★ Pilchuck Park Lifts, Inc.**
Feb. 24, 1961 (letter of notification) 300,000 shares of common stock (no par) to be offered in minimum units of 100 shares. **Price**—$1 per share. **Proceeds**—For purchase and installation of ski-lifts, a toboggan slide, and a restaurant and ski shop. **Office**—1411 Fourth Avenue Building, Seattle, Wash. **Underwriter**—None.

**Plastics Corp. of America, Inc.**
Feb. 9, 1961 filed 800,000 shares of common stock, of which 650,000 shares are to be offered first in exchange for outstanding 5% notes on the basis of one share for each $1 principal amount of 5% note with the remaining 150,000 shares, together with any of the 650,000 shares not issued in the exchange, to be offered publicly. **Price**—$1 per share. **Business**—The company was organized under Minnesota law in November 1960 to provide a vehicle for the acquisition of companies engaged in the fields of plastics, rubber and related materials. **Proceeds** — To retire the above notes, open a plant in the Minneapolis-St. Paul area and provide working capital for any newly acquired companies. **Office**—1234 Baker Bldg., Minneapolis, Minn. **Underwriter**—None.

**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.

**★ Presidential Museum, Inc.**
Feb. 17, 1961 (letter of notification) 499 shares of common stock. **Price**—At par ($100 per share). **Address**—Clermont, Fla. **Underwriter**—None.

**● Presidential Realty Corp. (3/27-31)**
Jan. 30, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing).

**★ Presto Dyechem Co., Inc.**
Feb. 27, 1961 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Producers of dye markers and shark repellants. **Proceeds**—For general corporate purposes. **Office** 45 John Street, Yonkers, N. Y. **Underwriter** — Frank Karasik & Co., Inc., New York, N. Y.

**Progress Webster Electronics Corp. (4/3-7)**
Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

**● Publishers Company, Inc. (3/27-31)**
Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing).

**Puerto Rican Airlines, Inc.**
Feb. 6, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds** — For accounts payable, to purchase equipment and for general corporate purposes. **Office**—c/o F. J. Perez-Almiroty, 1764 Ponce de Leon Ave., San Juan, Puerto Rico. **Underwriter**—Investment Securities Co. of Maryland, Inc., Baltimore, Md.

**Radar Measurements Corp. (3/23)**
Jan. 19, 1961 (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. **Note**—This is a refiling of a letter that was originally filed on Sept. 28, 1960.

**● Ram Electronics, Inc.**
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—Planned Investing Corp., New York City is no longer underwriting. New underwriter to be named. **Offering**—Early April.

**● Random House, Inc. (3/13-17)**
Jan. 27, 1961 filed 121,870 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are in the business of publishing and distributing a wide variety of books. **Proceeds**—For the selling stockholders. **Office**—457 Madison Ave., New York City. **Underwriter**—Allen & Co., New York City (managing).

**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.

**Rego Insulated Wire Corp. (3/20)**
Jan. 30, 1961 filed 200,000 shares of common stock, of which 180,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by the present holders thereof. **Price** — $4.50 per share. **Business**—The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, plastic toys and doll bodies; and has recently commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers. **Proceeds**—For the repayment of loans and for working capital. **Office**—830 Monroe Street, Hoboken, N. J. **Underwriter** — Russell & Saxe, Inc., New York City, (managing).

**Renwell Electronics Corporation of Delaware (3/13-17)**
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.

**★ Resitrion Laboratories, Ltd. (3/21)**
Feb. 16, 1961 (letter of notification) 200,000 shares of common stock. **Price** — $1 per share. **Business** — The manufacture of closed circuit television tubes, circuit breakers and relays for high powered communications systems. **Proceeds**—To repay bank loans, purchase new equipment and for working capital. **Office** — 2908 Nebraska Avenue, Santa Monica, Calif. **Underwriter**—Russell & Saxe, Inc., New York City.

**● Richmond-Eureka Mining Co.**
Jan. 24, 1961 filed 103,133 shares of capital stock, to be offered to stockholders for subscription on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The operation of mining properties near Eureka, Nev. **Proceeds**—To repay loans from U. S. Smelting, Refining & Mining Co. **Office** — 75 Federal St., Boston, Mass. **Underwriter** — None. **Note**—This statement was withdrawn Feb. 28.

**● Rixon Electronics, Inc. (3/10)**
Dec. 30, 1960 filed 115,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is a custom electronics engineering and development concern engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentations, data processing and other electronic systems. **Proceeds**—To repay indebtedness and for working capital. **Office** — 2414 Reedie Drive, Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

**● Roblin-Seaway Industries, Inc. (3/20-24)**
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and non-ferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

**Rochester Telephone Corp. (3/24-4/10)**
Feb. 21, 1961 filed 273,437 shares of common stock (par $10) to be offered to holders of the outstanding common of record March 24 on the basis of one new share for each five shares then held. Rights expire April 10. **Price**—To be supplied by amendment. **Business**—The company is an independent telephone company serving without competition the city of Rochester and the adjacent areas. **Proceeds**—To be applied to the repayment of the company's 1960-1 borrowings from banks of about $6,000,000 for construction purposes. **Office** — Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

**Rocket Research Corp.**
Jan. 19, 1961 filed 300,000 shares of common stock. **Price**—$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis, Minn.

**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.

**★ San Diego Chargers, Inc.**
Feb. 28, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—2223 El Cajon Boulevard, San Diego 4, Calif. **Underwriter** — Norman C. Roberts Co., San Diego, Calif.

**Seacrest Industries Corp.**
Feb. 24, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—$7.50 per share. **Business**—The sale of home-freezers and refrigerator-freezer combinations, home delivery of food plans, and manufacture and sale of swimming pools. **Proceeds**—For the purchase of Westchester Foods, Inc. stock; current liabilities; building improvements; advertising, promotion and expansion and for general corporate purposes. **Office**—354 Franklin Avenue, Franklin Square, Long Island, N. Y. **Underwriters**—A. J. Gabriel Co., Inc., New York, N. Y. and Williamson Securities Corp., 92 Liberty Street, New York 6, N. Y.

**• 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. **Offering**—Imminent.

**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.

**★ Season-All Industries, Inc.**
March 8, 1961 filed 100,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — To purchase new equipment, retire bank indebtedness and add to working capital. **Office**—Indiana, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh, Pa.

**Securities Credit Corp.**
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

**★ Security Acceptance Corp.**
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price** — To be supplied by amendment. **Proceeds** — For working capital and expansion. **Office**—Washington, D. C. **Underwriter**—None.

**• Selas Corp. of America (4/12)**
Feb. 28, 1961 filed 170,000 shares of common stock, of which 20,000 will be offered publicly for the account of the company and 150,000, being outstanding stock, by the holders thereof. **Price**—To be filed by amendment. **Business**—The engineering, manufacture and sale of industrial gas heat processing and fluid processing equipment. **Proceeds**—The company will use the proceeds from its share of the offering for working capital. **Office**—Dresher, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

**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.

**• Shepherd Electronic Industries, Inc.**
Jan. 18, 1961 (letter of notification) 78,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—9821 Foster Avenue, Brooklyn, N. Y. **Underwriter** — D. Klapper Associates, Inc., New York, N. Y. **Offering**—Imminent.

**• Shinn Industries Inc. (3/20-24)**
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.

**Shoup Voting Machine Corp. (3/20-24)**
Jan. 27, 1961 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the assembly, manufacture, sale and repair of voting machines and toll collection devices and auxiliary equipment. **Proceeds** — For the reduction of debt and for working capital. **Office**—41 East 42nd St., New York City. **Underwriter** — Burnham & Co., New York City (managing).

**Sigma Instruments, Inc. (5/1-5)**
Feb. 27, 1961 filed 200,000 shares of common stock (par $1), of which 78,540 are to be offered for public sale by the company and 121,460 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company, formerly The Fisher-Pierce Co., is engaged in the development, manufacture and sale of sensitive electromagnetic relays, photoelectronic street lighting controls and other electronic control devices. **Proceeds**—To repay bank loans and for working capital. **Office** — 170 Pearl St., South, Braintree, Mass. **Underwriter**—W. C. Langley & Co., New York City (managing).

**Simplex Lock Corp. (3/13-17)**
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Selling a new type of security device called the Push Button Lock. **Proceeds**—For expenses of offering and to pay Scovill Manufacturing Co. for initial costs of tooling up for production. **Office**—150 Broadway, New York, N. Y. **Underwriters**—Charles Plohn & Co., and B. W. Pizzini & Co., both of New York, N. Y.

**★ Smith Kline & French Laboratories**
March 7, 1961 filed 200,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—The company makes and sells ethical drugs, chiefly tranquilizers and central nervous system stimulants. **Proceeds**—To Yale University, the selling stockholder. **Office**—1500 Spring Garden Street, Philadelphia 1, Pa. **Underwriters**—Smith, Barney & Co. Inc. and First Boston Corp., both of New York City (managing).

**Southern Bell Telephone & Telegraph Co. (3/21)**
Feb. 24, 1961 this subsidiary of American Telephone & Telegraph Co., filed $70,000,000 of debentures, due March 1, 1998. **Proceeds**—To repay advances from the parent company and for general corporate purposes. **Office**—67 Edgewood Ave., S. E., Atlanta, Ga. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—To be received in Room 2315, 195 Broadway, New York City on March 21 at 11 a.m. (EST).

**• Southern California Edison Co. (4/4)**
March 1, 1961 filed $30,000,000 of first and refunding mortgage bonds, series N, due 1986. **Proceeds**—To retire short-term debt and for construction. **Office**—601 West Fifth St., Los Angeles 53, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Dean Witter & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. **Bids**—To be received at the company's Los Angeles office on April 4, 1961 at 8:30 a.m. (PST).

**Southern States Investment & Mortgage Corp.**
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For advances to subsidiaries and working capital. **Office**—424 Mark Bldg., Atlanta, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

**Southwestern Oil Producers, Inc.**
March 23, 1960 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter**—Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

**Southwestern Public Service Co. (3/22)**
Feb. 9, 1961 filed $15,000,000 of first mortgage bonds due 1991 and 120,000 shares of cumulative preferred stock (par $25). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office** — 720 Mercantile Dallas Bldg., Dallas, Tex. **Underwriter**—Dillon, Read & Co., New York City (managing).

**★ Spray-Bilt, Inc.**
March 1, 1961 (letter of notification) 16,000 shares of outstanding common stock (par 10 cents). **Price**—Aggregate offering price not to exceed $300,000. **Proceeds**—For the selling stockholder. **Office**—3605 E. 10th Court, Hialeah, Fla. **Underwriter**—None.

**• Stancil-Hoffman Corp.**
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriters** — Pacific Coast Securities Co., San Francisco, Calif., and Russell & Saxe, Inc., New York City. **Offering**—Expected in March.

**Standard-American Leasing Corp.**
Feb. 14, 1961 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—2855 Highland Drive, Salt Lake City, Utah. **Underwriter** — E. H. Coltharp & Co., Salt Lake City, Utah.

**State Bond & Mortgage Co.**
Feb. 17, 1961 filed $1,000,000 of series 205 Investment Certificates and series 305 Investment Certificates to be offered for public sale in units of $1,000 principal amount. **Business**—The company is a registered investment company engaged principally in the purchase of F. H. A. insured and V. A. guaranteed mortgages. **Proceeds** — For investment. **Office** — 28 North Minnesota Street, New Ulm, Minn. **Underwriter**—None.

**Ste'ma Inc. (3/13-17)**
Feb. 15, 1961 filed 200,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products used in communications systems. **Proceeds** — To selling stockholders. **Office**—Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

**Stephen Realty Investment Corp.**
Jan. 16, 1961 filed 1,400,000 shares of beneficial interest, of which 1,000,000 shares will be publicly offered and 400,000 shares are to be exchanged for real estate ventures. **Price**—$5 per share. **Office** — 1930 Sherman St., Denver, Colo. **Underwriter** — Stephen Securities Corp., 710 American National Bank Bldg., Denver, Colo.

**★ Stephenson Chemical Co., Inc.**
Feb 27, 1961 (letter of notification) 230 shares of class A common stock (par $10) and 2,299½ shares class B common stock (par $10) to be offered in units of one share of class A and 10 shares of class B. **Price**—$110 per unit. **Proceeds**—To purchase real estate, equipment, raw materials, and for working capital. **Office** — 238 West Point Avenue, College Park, Ga. **Underwriter**—None.

**• Storer Broadcasting Co. (3/15)**
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).

**★ Stratton Corp.**
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

**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**—John R. Boland & Co., New York City and Paul C. Kimball & Co. (Chicago). **Offering**—Expected in late March.

**Sunset Color Laboratories, Inc. (3/15)**
Jan. 30, 1961 (letter of notification) filed 80,000 shares of common stock (par 1c). **Price**—$2.25 per share. **Business**—Photo finishing and photographic accessories and supplies. **Proceeds** — For general corporate purposes. **Office**—83 Rockaway Ave., Rockville Center, N. Y. **Underwriter**—Jacey Securities Co., 82 Beaver St., New York City, Professional Executive Planning Inc., Long Beach, N. Y. and Sunshine Securities, Inc., Rego Park, N. Y.

**★ Sunset Outdoor Advertising, Inc.**
Feb. 20, 1961 (letter of notification) 90,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—To acquire assets of Crown Outdoor Advertising. **Office** — 9171 Sunset Boulevard, Los Angeles, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco, Calif.

**Superstition Mountain Enterprises, Inc.**
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

**★ Synco Resins, Inc.**
March 1, 1961 (letter of notification) 47,338 shares of common stock to be offered for subscription by stockholders of record on the basis of one share for each seven shares held. **Price**—$1 per share. **Proceeds**—For working capital. **Office**—Henry Street, Bethel, Conn. **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.

**• Tassette, Inc.**
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering**—Expected in April.

**Tax-Exempt Public Bond Trust Fund**
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

**Tax-Exempt Public Bond Trust Fund, Series 2**
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

**• 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. **Offering**—Imminent.

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**● Techmation Corp. (3/10-14)**
Jan. 17, 1961 (letter of notification) 87,500 common shares (par one cent). Price — $2 per share. Business—The company designs and develops automation machinery through systems of "hoppers," "feeders," and other design innovations for the manufacture of industrial, cosmetic, toy, plastics and other products. The company proposes to adapt its oriented feeding devices to miniature and sub-miniature electronic components manufacture. Proceeds—To develop a proprietary line of automatic machinery products, for working capital, to fill orders, for oriented seeding and automation machinery, and for patent applications and the prosecution thereof. Office—19-79 Steinway St., Long Island City, New York. Underwriter—First Philadelphia Corp., New York City.

**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, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. Proceeds—For general corporate purposes. Office—514 Hempstead Ave., West Hempstead, N. Y. Underwriter — Lee Hollingworth, 514 Hempstead Ave., West Hempstead, N. Y. Offering—Expected sometime in March.

**● 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—Imminent.

**● Terry Industries, Inc.**
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. Price—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. Business — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. Proceeds—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. Office—11-11 34th Ave., Long Island City, L. I., N. Y. Underwriter — (For the company's shares only) Greenfield & Co., Inc., New York City.

**Terryphone Corp.**
Feb. 24, 1961 filed 200,000 shares of common stock (par 5 cents), of which 80,000 are to be offered for public sale by the company and 120,000 outstanding shares by the present holders thereof. Price — To be supplied by amendment. Business — The company manufactures, leases, sells and services a line of internal communications systems for use in business and industry. Proceeds—For working capital and expansion. Office—4409 Carlisle Pike, Camp Hill, Pa. Underwriters—Stroud & Co., Philadelphia, Pa., and Warren W. York & Co., Allentown, Pa. (managing).

**● Thermo Dynamics, Inc.**
Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the company 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. Offering—Imminent.

**Thermogas Co. (3/20-24)**
Jan. 30, 1961 filed 100,000 shares of common stock. Price—To be supplied by amendment. Business—The company is a distributor of propane and tanks and accessories for the storage and handling of propane gas. Proceeds—To repay loans, purchase additional distribution plants and for working capital. Office—4509 East 14th St., Des Moines, Iowa. Underwriter—A. C. Allyn & Co., Chicago (managing).

**● Thrift Courts of America, Inc.**
Feb. 28, 1961 filed $800,000 of 10-year 8% convertible subordinated debentures, 100,000 shares of common stock and 50,000 warrants to purchase a like number of common shares, to be offered in units of $400 of debentures, 50 common shares, and 25 warrants. Price — $800 per unit. Business — The manufacture and sale of mobile homes, and the pre-construction of motel units. Proceeds—To repay bank loans, provide funds for the issuer's subsidiary, and add to working capital. Office — 1630 West Bristol St., Elkhart, Ind. Underwriter — Myron A. Lomasney & Co., New York City (managing).

**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.

**Toledo Plaza Investment Trust**
Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. Price—$2,500 each. Business — The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. Proceeds—To purchase the above-mentioned apartment project. Office—2215 Washington Ave., Silver Spring, Md. Underwriter—Hodgdon & Co., Inc., Washington, D. C. Offering — Expected in late March.

**Totts Pharmacal Corp.**
Feb. 1, 1961 filed 125,000 shares of common stock. Price—$4 per share. Business — The company was organized under Delaware law in September 1960 to acquire the business and properties of Lucente Enterprises, Inc., which manufactures and distributes a dentifrice under the name of "Orbit Dental Cream" in a novel plastic container with primary appeal to the children's market. Proceeds—For new equipment, the repayment of loans and working capital. Office — 3757 Mahoning Avenue, Youngstown, O. Underwriter — International Services Corp., 7 Church St., Paterson, N. J.

**★ Tronomatic Corp.**
Feb. 27, 1961 (letter of notification) 65,000 shares of common stock (par 10 cents). Price—$4 per share. Business—Manufacturers of various types of machines. Proceeds — For general corporate purposes. Office — 25 Bruckner Boulevard, Bronx, N. Y. Underwriter—Plymouth Securities Corp., New York, N. Y.

**● 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).

**● U. S. Components, Inc. (3/20)**
Feb. 9, 1961 (letter of notification)) 75,000 shares of common stock (par 10 cents). Price—$4 per share. Business — Manufacturer of precision electronic connectors and related assembly devices. Proceeds—For repayment of loans payable, payment of accounts payable, additional machinery and equipment, tooling, advertising, research and development and working capital. Office—1320 Zerega Ave., New York 62, N. Y. Underwriter—Arden Perin & Co., Inc., New York, N. Y.

**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., 15 William St., New York, N. Y.

**● Universal Container Corp.**
Feb. 28, 1961 filed $1,000,000 of convertible subordinated debentures, due 1971. Price — To be supplied by amendment. Business — Converting and reconditioning wooden barrels and steel drums. Proceeds — To retire bank indebtedness, with the balance for working capital and general corporate purposes. Office—8318 Grade Land, Louisville, Ky. Underwriter—Michael G. Kletz & Co., New York City (managing).

**★ Universal Manufacturing Co.**
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. Price — $2 per share. Proceeds — For working capital. Office—516 W. 4th Street, Winona, Minn. Underwriter—Naftalin & Co., Inc., Minneapolis, Minn.

**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.

**★ Vagabond Motor Hotels, Inc.**
Feb. 14, 1961 (letter of notification) 100,000 shares of common stock (no par). Price—$3 per share. Proceeds—To construct additional motor hotels, and for working capital. Office—3555 Fifth Avenue, Suite B, San Diego, Calif. Underwriter—Norman C. Roberts Co., San Diego, Calif.

**★ Valley View Stadium, Inc.**
Feb. 8, 1961 (letter of notification) $200,000 of 8% unsecured preferred debentures, together with 200,000 shares of common stock (par 1c). The debentures are to be sold in denominations of $100, and for each such amount purchased the purchaser may purchase 100 of the common shares at the par value thereof. Proceeds—For constructing and equipping a stadium. Address — Boise, Idaho. Underwriter—None.

**★ Value Engineering Co.**
Feb. 28, 1961 (letter of notification) 20,000 shares of common stock (par 10 cents). Price—$2.50 per share. Proceeds—For improvement of electro facilities; research and development and working capital. Office—2320 Jefferson Davis Highway, Alexandria, Va. Underwriter—None.

**● Van Dusen Aircraft Supplies, Inc. (3/20)**
Jan. 16, 1961 (letter of notification) 100,000 shares of common stock (par $1). Price—$3 per share. Proceeds—For expansion. Office—Minneapolis, Minn. Underwriter—Stroud & Co., Philadelphia, Pa.

**★ Vector Engineering, Inc.**
March 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). Price—$6 per share. Business — Provides engineering and design services. Proceeds — For general corporate purposes. Office — 155 Washington Street, Newark, N. J. Underwriter—Omega Securities Corp., New York, N. Y.

**● Virginia Telephone & Telegraph Co.**
Feb. 10, 1961 (letter of notification) 7,414 shares of common stock (par $10) being offered by subscription by stockholders of record Feb. 24 on the basis of one new share for each 15 shares then held, with rights to expire on March 14. Price — $19 per share. Proceeds—For a construction plan for 1961. Office—417 W. Main St., Charlottesville, Va. Underwriters—Francis I. du Pont & Co., Lynchburg, Va. and C. F. Cassell & Co., Inc., Charlottesville, Va.

**Visual Dynamics Corp.**
Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). Price—$3 per share. Business—Manufacturers of an audio-visual device for educational and entertainment purposes. Proceeds—For general corporate purposes. Office—42 S. 15th Street, Suite 204, Philadelphia, Pa. Underwriter—District Securities, 2520 L Street, N. W., Washington, D. C.

**★ Vitamix Pharmaceutical, Inc.**
March 6, 1961 filed 100,000 shares of common stock. Price—To be supplied by amendment. Business—The issuer compounds, makes, packages and sells ethical and proprietary drugs and vitamins throughout the country. Office—Philadelphia, Pa. Underwriter—Bache & Co., New York City (managing).

**Weinschel Engineering Co., Inc.**
Jan. 27, 1961 filed 50,000 shares of capital stock (par $1). Price—To be supplied by amendment. Business—The company is engaged in research, and the development, engineering, production and sale of high quality precision microwave calibration and testing equipment. Proceeds—To repay loans and for working capital. Office — 10503 Metropolitan Ave., Kensington, Md. Underwriter—Alex. Brown & Sons, Baltimore, Md.

**Western Factors, Inc.**
June 29, 1960, filed 700,000 shares of common stock. Price—$1.50 per share. Proceeds—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. Office — 1201 Continental Bank Bldg., Salt Lake City, Utah. Business—Factoring. Underwriter—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

**★ Western Reserve Life Assurance Co. of Ohio**
March 1, 1961 filed 120,000 shares of common stock to be offered for subscription by stockholders on the basis of three new shares for each five shares held. Stockholders are to vote at the annual meeting in April on increasing the authorized stock to provide for the offering. Business—The company issues and sells life insurance policies in the State of Ohio. Proceeds—For expansion. Office—1 Union Commerce Annex, Cleveland 14, Ohio. Underwriters — McDonald & Co. and Ball, Burge & Kraus, Cleveland.

**● White Shield Corp. (3/27-31)**
Feb. 23, 1961 filed 50,000 shares of common stock (par 10 cents). Price—To be supplied by amendment. Business—The sale of health and beauty aids, vitamins and drug sundries to retail stores and wholesale jobbers. Proceeds—For working capital. Office — 317 East 34th St., New York City. Underwriter—Adams & Peck, New York City.

**Willer Color Television System, Inc.**
Jan. 29, 1961 (letter of notification) 80,890 shares of comman 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. Offering—Indefinite.

**Wilshire Insurance Co.**
Feb. 17, 1961 filed 313,000 shares of common stock, of which 187,000 will be offered for subscription to stockholders on a share for share basis and the remaining 126,000 shares, together with any of the 187,000 shares not purchased by stockholders, to be offered publicly. Price—$5 per share to stockholders and $5.50 per share to the public. Business—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. Proceeds — To increase capital funds to provide for the writing of additional policies in all lines of its business and to expand its coverage into other classes of insurance. Office—5413 West Washington Boulevard, Los Angeles, Calif. Underwriter—None.

**● 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. Office—20005 Lake Road, Rocky Road, O. Underwriter—Prescott, Shepard & Co., Inc., Cleveland. Offering—Imminent.

**Winston-Muss Corp.**
Jan. 30, 1961 filed $9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of $22.50 principal amount of debentures and one share of common stock. Price—To be supplied by amendment. Business—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. Proceeds—For the acquisition and development of real estate properties. Office—22 West 48th St., New York City. Under-

writer—Lee Higginson Corp., New York City (managing). Offering—Expected in late March.

**Winter Park Telephone Co.**
Feb. 13, 1961 filed 33,638 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each three shares held, with the unsubscribed stock to be publicly offered by the company. **Price** — To be supplied by amendment. **Proceeds** — For plant and equipment, with the balance for general corporate purposes. **Office** — 132 East New England Ave., Winter Park, Fla. **Underwriter**—None.

**Wolf Corp.**
Feb. 15, 1961 filed 30,000 shares of class A stock. **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

**Wonderbowl, Inc.**
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

**★ Wynnco Investment Co.**
Feb. 27, 1961 (letter of notification) 2,500 shares of class B common stock to be offered for subscription by original stockholders. **Price**—At par ($100 per share). **Proceeds**—For investment. **Address**—Venice, Fla. **Underwriter**—None.

**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

**Airwork Corp.**
March 1, 1961 it was reported that this company plans the sale of about $1,500,000 of debentures. **Business**—The company is engaged in overhauling aircraft engines, instruments and accessories; also sells aircraft engines, instruments and electronic equipment. **Office**—Millville, N. J. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C.

**Alamo Gas Supply Co.**
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters** — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

**Alberta Gas Trunk Line Co., Ltd.**
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

**★ American Fidelity Building & Loan Assn. (4/3)**
March 8, 1961 it was reported that this company plans to offer publicly 100,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To increase capital funds and improve existing properties. **Office**—36 E. Lanvale Street, Baltimore 2, Md. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City. **Note**—This offering will not be registered with the SEC pursuant to an exemption granted under the Securities and Exchange Act of 1933.

**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 Playlands Corp.**
Dec. 21, 1960 it was reported that this company plans to refile a registration statement covering 300,000 shares of common stock. This will be a full filing. **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. **Registration**—Expected in late March.

**Appalachian Power Co.**
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

**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.

**Arizona Public Service Co.**
Feb. 8, 1961 it was reported that this company plans to issue about $38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co. and The First Boston Corp.

**● Arkansas Power & Light Co. (5/16)**
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 Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received May 16 at 11:30 a.m. (EST).

**Baltimore Gas & Electric Co.**
Feb. 21, 1961, F. E. Rugemer, Treasurer, stated that the company is considering the issuance of $15,000,000 to $20,000,000 of non-convertible debentures or preferred stock in the second quarter of 1961 and about $20,000,000 of bonds in late 1961 or early 1962. **Office**—Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters** — (Bonds) 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). The last sale of debentures was made to stockholders on May 8, 1959 through subscription rights and was underwritten by First Boston Corp., and associates. The last sale of preferred stock on Aug. 13, 1940 was handled by White, Weld & Co., and associates.

**Bell Telephone Co. of Pennsylvania (5/2)**
Feb. 23, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell $50,000,000 of debentures. **Proceeds**—To refund $30,000,000 of 5⅜% debentures due 1994 on or about June 2, and for construction. **Office**—1835 Arch St., Philadelphia 3, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co., and Eastman Dillon, Union Securities & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received on or about May 2, 1961.

**● Brooklyn Union Gas Co. (6/8)**
March 3, 1961 it was reported that this company plans to sell about $20,000,000 of mortgage bonds. **Office**—176 Remsen St., Brooklyn 1, N. Y. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.; Blyth & Co., Inc., and F. S. Moseley & Co. (jointly). **Bids**—To be received on June 8.

**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.**
Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

**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.

**Car Plan System, Inc.**
Feb. 1, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Registration**—Expected about March 15.

**Casavan Industries**
Feb. 1, 1961 it was reported by Mr. Casavena, President, that registration is expected of approximately $10,000,000 of common stock and $11,750,000 of 6% debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds** — For expansion. **Office** — 250 Vreeland Ave., Paterson, N. J. **Underwriter** — To be named. **Registration**—Imminent.

**Caxton House Corp.**
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

**Central Hudson Gas & Electric Co.**
Feb. 2, 1961 it was reported that the company is considering the sale of $5,000,000 to $7,000,000 of preferred stock in the second quarter. **Proceeds**—For expansion. **Office**—South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Estabrook & Co. (jointly).

**Central Louisiana Electric Co., Inc.**
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

**Chroma-Glo, Inc.**
Feb. 14, 1961 it was reported that this company plans to file a "Reg. A" covering 90,000 shares of common stock (par 50 cents). **Price**—$3.30 per share. **Business**—Manufactures pressure sensitive emblems for industry. **Proceeds**—For expansion. **Office**—525 South Lake Ave., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn. **Registration**—Expected in early March.

**Cincinnati Gas & Electric Co.**
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

**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. (6/1)**
March 8, 1961 it was reported that this company plans to sell $30,000,000 of debentures in June and is considering the sale of either $20,000,000 of debentures or $25,000,000 of common stock in the fall. **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). **Bids**—To be received at the company's office on June 1.

**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.**
Feb. 6, 1961 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters** — To be

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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). **Offering**—Expected in May.

**Consolidated Edison Co. of New York, Inc.**
Jan. 27, 1961 it was reported that this company plans to sell about $75,000,000 of mortgage bonds in the fall. **Office**—4 Irving Place, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.

**● Consolidated Natural Gas Co.**
Jan. 31, 1961 it was reported that this company expects to sell about $25,000,000 of debentures in late 1961. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly).

**Consumers Power Co.**
Feb. 15, 1961 it was reported that this company may sell $20,000,000 of preferred and $30,000,000 of bonds about mid-year. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. The last sale of preferred stock, on July 21, 1955, was handled by Morgan Stanley & Co.

**Continental Industries, Inc.**
Feb. 21, 1961 it was reported that the company is negotiating for the sale of $5,000,000 of convertible debentures. On Feb. 28 stockholders voted to increase the authorized common to provide for the debenture issue and to change corporate name to Continental Vending Machine Corp. **Business** — The company manufactures and operates automatic vending machines dispensing cigarettes, coffee, cold drinks and food. **Office** — 956 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—It was stated that exploratory discussions have been held with Shields & Co., New York City.

**Daffin Corp.**
Jan. 20, 1961, it was reported that a registration is expected to be filed covering 150,000 outstanding shares of common stock (no par). **Price** — To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (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.**
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. 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.

**Diversified Finance Corp.**
Feb. 9, 1961 the company reported that it had filed with the Florida Securities Commission its first public offering of 300,000 shares of common stock. Each share carries a warrant expiring in December, 1963, entitling the holder thereof to purchase one additional share at $1.25 per share. **Price**—$1.25 per share. **Business**—The company and its subsidiaries are engaged in the small loan, consumer discount and retail instalment sales financing business in southeast Florida. **Proceeds**—For expansion. **Office**—615 W. Broward Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

**Dynamic Center Engineering Co., Inc.**
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

**Eastern Lime Corp.**
March 1, 1961, it was reported that this company plans to sell about $800,000 of 15-year convertible debentures. **Business**—The company produces chemical grade limestone for cement plants, crushed stone and black top for road building. **Office** — Kutztown, Pa. **Underwriters**—Stroud & Co., Philadelphia and Warren W. York & Co., Allentown, Pa.

**● 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. **Note**—This filing has been indefinitely postponed.

**★ Empire Fund, Inc.**
March 8, 1961 it was reported that the Federal Internal Revenue Service had granted this fund's application for approval of a tax free exchange of shares for Corporate Securities. It is expected that a registration statement covering this "centennial-type" fund will be filed with the SEC shortly. **Office**—Pittsburgh, Pa.

**Epoderm Inc.**
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing). **Registration**—Imminent.

**● Exploit Films, Inc.**
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about April 1. **Offering**—Expected in late May.

**Fawcett Publications, Inc.**
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

**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 Bank of Toms River (N. J.)**
Feb. 27, 1961 it was reported that stockholders are to vote March 22, on increasing the authorized stock to provide for the payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire about Aug. 17. **Price**—$22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

**Flintkote Co.**
Feb. 7, 1961 it was reported that stockholders are to vote March 22 on authorizing the company to increase its funded debt to $50,000,000. If approved, the company plans to borrow $30,000,000 this year, possibly through sale of debentures. **Business**—The company is engaged directly or through subsidiaries in manufacturing, mining, distributing, and selling various products for construction, industrial, and consumer use. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriter**—To be named. The last sale of debentures on April 3, 1957 was handled by Lehman Bros., New York and associates.

**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.

**General Sales Corp.**
Feb. 28, 1961 it was reported that "Reg. A" filing will be made shortly covering 120,000 shares of common stock (par $1). **Price**—$2 per share. **Business**—The company operates two "members only" discount merchandising centers at Portland and Salem, Ore. **Proceeds** — For working capital, inventories and additional facilities. **Office**—1105 Northeast Broadway, Portland, Ore. **Underwriter**—Joseph Nadler & Co., Inc., 41 E. 42nd Street, New York, N. Y.

**General Telephone Co. of California**
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. Subsequently, it was announced by the company that it plans to sell $10,000,000 of preferred in April, without underwriting. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

**General Telephone Co. of Florida**
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

**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 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.

**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 early March.

**Grosset & Dunlap, Inc.**
Jan. 23, 1961 it was reported that this firm is contemplating its first offering of common stock. **Business**—This is a publishing firm owned by Little Brown, Harper's, Random House, and Book Of The Month Club, with the last-named firm owning the largest interest. The prospective issuer owns Treasure Books, Wonder Books, and Bantam Books jointly with Curtis Publishing Co. **Office**—1107 Broadway, New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

**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.

**★ Hawaiian Electric Co., Ltd.**
March 8, 1961 it was reported that this company has applied to the Hawaiian Public Service Commission for permission to sell $12,000,000 of first mortgage bonds. **Office**—900 Richards Street, Honolulu, Hawaii. **Underwriters**—Dillon, Read & Co., Inc., New York City and Dean Witter & Co., San Francisco.

**★ Hawaiian Telephone Co.**
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea Street, Honolulu 13, Hawaii. **Underwriter**—None.

**Heath (D. C.) & Co.**
Feb. 8, 1961 it was reported that registration is expected in March for an undetermined number of common shares (par $100), of which part would be offered for the account of the company and part for selling stockholders. **Business**—Publishes and sells textbooks for schools and colleges. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City.

**Houston Fearless Corp.**
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

**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 Dil-

lon, Union Securities & Co. and Salomon Bros. & Hutzler.

**★ Howard Johnson Co.**
March 3, 1961, Howard B. Johnson, President, stated that this privately held company is considering the possibility of making a public offering of securities. He added that plans for such an offering "are still hanging fire and not definite yet because so many things have to be considered." **Business** — Operates a nationwide chain of restaurants, most of which are franchised, and packs a line of Howard Johnson frozen foods for supermarkets. **Office**—630 Fifth Ave., New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

**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.

**Illinois Terminal RR.**
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

**Indianapolis Power & Light Co.**
According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

**Industrial Control Products, Inc.**
Jan. 24, 1961 it was reported that the company plans to file 165,000 shares of 10¢ par class A stock. **Price**—$3 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 semiconductor 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 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 about March 15.

**• Interstate Power Co. (5/18)**
March 8, 1961 it was reported that this company plans to sell $9,000,000 of bonds and 200,000 shares of common stock in May. The stock will be offered to common shareholders on the basis of one share for each 16 shares held of record May 18, with rights to expire June 2. **Office**—1000 Main Street, Dubuque, Iowa. **Underwriters** — (Bonds) 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. **Bids** —To be received on May 18, 11 a.m. (EST) at the office of The Chase Manhattan Bank, One Chase Plaza, New York 5, N. Y., 23rd floor. **Information Meeting**—Scheduled for May 8, 3 p.m. (EST) at the office of Chase Manhattan Bank, 28th Floor.

**Iowa-Illinois Gas & Electric Co.**
Feb. 7, 1961 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to sell $10,000,000 to $15,000,000 of first mortgage bonds in the second quarter of 1961. The 1961 construction program is estimated at $18,000,000. **Proceeds** — To repay bank loans and for construction. **Office** — 206 E. 2nd St., Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glore, Forgan & Co. and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly).

**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 Smith, Barney & Co. **Offering**—Expected in the Spring of 1961.

**• La Salle National Bank (Chicago, Ill.)**
March 8, 1961 it was reported that stockholders voted on March 2 to increase authorized stock from 135,000 to 165,000 shares (par $25) to provide for a 11.1% stock dividend and sale of 15,000 shares to stockholders on the basis of one new share for each 10 shares held of record March 2, with rights to expire March 30. **Price**—$75 per share. **Proceeds** — To increase capital. **Office**—135 South La Salle Street, Chicago 3, Ill. **Underwriters**—Bacon, Whipple & Co. (managing) and McCormick & Co., both of Chicago.

**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.

**Lanvin Parfums, Inc.**
Jan. 24, 1961 it was reported that this perfume firm is contemplating its first public financing, to consist of an issue of about $6,000,000 of common stock. **Office**—767 Fifth Avenue, New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

**Long Island Lighting Co.**
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

**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.

**Magnefax Co.**
Feb. 21, 1961 it was reported that this company expects to sell 200,000 shares of common stock. **Business**—Manufactures office copying machines. **Office** — Commercial Trust Co. Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia, Pa. **Registration**—Expected in early March.

**• Martin Paint & Wallpapers**
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds** —For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Avenue, Jamaica, L. I., N. Y. **Note**—Hill, Thompson & Co., Inc., is no longer underwriting this issue.

**Massachusetts Electric Co.**
Jan. 24, 1961 it was reported that the SEC has approved the merger of six subsidiaries of New England Electric System into Worcester County Electric Co., also a subsidiary. Latter will change its corporate name to Massachusetts Electric Co., and issue about $17,500,000 of first mortgage bonds due 1991. **Offices**—939 Southbridge St., Worcester, Mass., and 441 Stuart St., Boston, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Offering**—Expected in May.

**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.

**Metropolitan Edison Co.**
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

**Michigan Consolidated Gas Co.**
Jan. 11, 1961 it was reported that this company plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds**—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 about $30,000,000 of bonds in the first half of 1961. **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 Business & Industrial Development Corp.**
Nov. 28, 1960 it was reported that the company will issue $1,000,000 of $10 par common stock, of which $500,000 will be subscribed for by utility companies and $500,000 will be sold to business and industry and the general public. **Business**—To assist via loans, investments, and other business transactions, in the location and expansion of businesses in Mississippi.

**Mississippi Power Co. (9/28)**
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

**★ Mississippi River Transmission Corp.**
Feb. 27, 1961, it was reported that this subsidiary of Mississippi River Fuel Corp., plans to sell about $6,500,000 of debentures or bonds in late 1961. **Proceeds**—For the repayment of bank debt. **Office**—9900 Clayton Road, St. Louis, Mo. **Underwriter**—To be named. The last issue of debentures by Mississippi River Fuel Corp., parent, in March 1958 was underwritten by Eastman Dillon, Union Securities & Co., and associates.

**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.

**Monticello Lumber & Mfg. Co.**
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City. **Registration**—Expected shortly.

**New England Power Co.**
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

**New England Telephone & Telegraph Co. (4/11)**
Feb. 21, 1961 this subsidiary of American Telephone & Telegraph Co., announced plans to sell $45,000,000 of 38-year debentures. **Proceeds**—To redeem on or about May 12, outstanding 5¾% debentures due Sept. 1, 1994 in the same amount. **Office** — 185 Franklin St., Boston 7, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Offering**—Expected on or about April 11.

**New England Telephone & Telegraph Co. (4/25)**
Feb. 21, 1961 this subsidiary of American Telephone & Telegraph Co., announced plans to sell additional common stock to stockholders through subscription rights on the basis of one new share for each seven shares held of record April 25. Based on the 22,047,305 shares outstanding on Dec. 31, 1960 this would amount to about 3,150,000 common shares. **Proceeds**—To repay short term loans and to pay at maturity $40,000,000 of 4½% first mortgage bonds due May 1, 1961. **Office**—185 Franklin St., Boston 7, Mass. **Underwriter**—None.

**New Orleans Public Service, Inc. (5/25)**
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. **Offering** — Expected May 25.

**★ New York State Electric & Gas Corp. (5/16)**
March 6, 1961, Joseph M. Bell, Jr., President, stated that the company plans to sell $25,000,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for construction. **Office**—108 East Green St., Ithaca, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc.; Harriman Ripley & Co., First Boston Corp. and Glore, Forgan & Co. (jointly). **Bids**—To be received on May 16.

**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.**
Feb. 8, 1961 it was reported that this company plans to raise about $25,000,000 of new money in 1961. The type of security to be sold has not been determined but it is thought that it might be common stock which would be sold in the late Spring to stockholders through subscription rights. **Office**—50 Fox St., Aurora, Ill. **Underwriters** —To be named. The last rights offering in April 1954 was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City.

**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). **Offering**—Expected in August.

**★ Northwestern Public Service Co.**
March 8, 1961 it was reported that this company plans to sell about $2,500,000 of bonds in August or September. **Office**—Huron, S. Dak. **Underwriter**—To be determined

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by competitive bidding. Probable bidders: Halsey, Stuart, & Co., and Kidder, Peabody & Co.

**★ Northwestern Public Service Co.**
March 8, 1961 it was reported that this company plans to sell about $1,200,000 of common stock to stockholders through subscription rights. **Office**—Huron, S. Dak. **Underwriter**—To be named. The last rights offering to stockholders, on July 8, 1958, was underwritten by A. C. Allyn & Co., Chicago, Ill. **Offering**—Expected in April.

**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. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

**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.

**Pacific Telephone & Telegraph Co.**
Jan. 30, 1961 it was reported that this company, controlled by American Tel. & Tel. Co., plans to form a new subsidiary to operate in Washington, Oregon and Idaho. The new concern will acquire the business and properties of the present operating division, known as Pacific Telephone-Northwest, established in February 1960. All of the stock of the new company will be issued to Pacific Telephone, but "as soon as practicable" it will be offered for sale to Pacific Telephone shareholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A T & T, which owns over 90% of the outstanding stock, exercised its rights to subscribe to its prorata share of the offering.

**● Panhandle Eastern Pipe Line Co.**
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

**Pennsylvania Electric Co.**
Jan. 24, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year first mortgage bonds and $12,000,000 of debentures. **Office** — 222 Levergood St., Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Offering**—Expected in May or June.

**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** —Indefinite.

**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 Electric & Gas Co.**
Feb. 23, 1961 it was reported that this utility expects to sell about $100,000,000 of new securities this year. It was stated that since the equity position of the company is low, the financing will probably include either common or preferred stocks. **Office**—80 Park Place, Newark, N. J. **Underwriter**—To be named. The last sale of common stock on Dec. 15, 1959 and the last sale of preferred on Dec. 14, 1960 was handled by Merrill Lynch, Pierce, Fenner & Smith, Inc., and associates.

**Radiation Applications, Inc.**
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

**Rochester Gas & Electric Corp.**
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **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.

**Sierra Pacific Power Co. (5/4)**
Feb. 16, 1961 the company reported that it plans to offer common stockholders the right to subscribe to additional stock on the basis of one new share for each 12 shares held. Based on the 795,416 common shares outstanding on Nov. 30, 1960 and the proposed 2-for-1 stock split expected to become effective March 29, 1961, this offering will involve about 132,570 new shares, and will be made on or about May 4. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—None.

**Sierra Pacific Power Co. (5/11)**
Feb. 16, 1961 the company stated that it plans to sell $6,500,000 of first mortgage bonds. **Proceeds**—For construction. **Office** — 220 South Virginia St., Reno, Nev. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on May 11.

**Silo's Discount House**
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

**Simulmatics Corp.**
Feb. 21, 1961 it was reported that the company expects to file a registration statement shortly, covering 150,000 shares of common stock. **Office**—501 Madison Ave., New York 22, N. Y. **Underwriter**—Russell & Saxe, New York City.

**Sony Corp.**
Feb. 21, 1961 it was reported that this company plans to sell 2,000,000 common shares in the U. S., this summer. A registration statement covering the proposed offering will be filed with the SEC. **Business**—The company is a major producer of electronic consumer goods such as tape recorders, transistor radios and television sets. **Office**—Tokyo, Japan. **Underwriter**—To be named.

**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 Pacific Co. (4/4)**
March 6, 1961 it was reported that this company plans to issue about $4,800,000 of equipment trust certificates. **Office**—165 Broadway, New York 6, N. Y. **Underwriters** —To be determined by competitive bidding. Probable bids: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler. **Bids**—To be received on April 4 at noon (EST).

**Southern Railway Co.**
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

**Spiegel, Inc.**
Jan. 17, 1961 it was reported that financing is being considered for this year, but details have not been decided upon. **Business**—The company is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—To be named. The last sale of securities consisted of $15,417,500 of 5% convertible debentures, due 1984, which were sold to stockholders through subscription rights in June 1959. The offering was underwritten by Wertheim & Co., New York.

**Swift & Co.**
Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to $35,000,000 of convertible debentures, and to increase authorized common 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**—To be named. The last issue of debentures in October 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.

**★ Transcontinental Gas Pipe Line Corp.**
March 8, 1961 it was reported that registration is expected shortly of $35,000,000 first mortgage bonds. **Office** —3100 Travis Street, Houston, Texas. **Underwriters** — White, Weld & Co., and Stone & Webster Securities Corp., both of New York City. **Offering**—Expected in May.

**● Trunkline Gas Co.**
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $50,000,000 of bonds or preferred stock in September. **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.**
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961. **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.

**United Aircraft Corp.**
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

**Universal Oil Products Co.**
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

**Vinco Corp.**
Feb. 20, 1961 it was reported that this company plans to sell $2,000,000 of convertible bonds. **Business**—The manufacture of precision parts and subassemblies for aircraft, missile and other industries. The company also produces guages and measuring instruments. **Proceeds**—For expansion and acquisition. **Office** — 9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City. **Registration** — Expected by late March.

**Virginia Electric & Power Co. (6/13)**
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **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**—Scheduled for June 13 at 11 a.m. (EST).

**Waldorf Auto Leasing Inc.**
Jan. 16, 1961 it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock. **Price** — $3 per share. **Proceeds** — For general corporate purposes. **Office** — 2015 Coney Island Ave., Brooklyn, N. Y. **Underwriters**—Martinelli & Co., 79 Wall St., V. K. Osborne & Sons, Inc., 40 Exchange Place, First Atlantic Securities Co., 160 Broadway, New York City. **Registration**—Imminent.

**Washington Gas Light Co. (5/3)**
Feb. 27, 1961 it was reported that this company plans to sell $12,000,000 of refunding mortgage bonds. **Proceeds**—To repay debt and for construction. **Office**—1100 H St., N.W. Washington 5, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.;

First Boston Corp.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., and Stone & Webster Securities Corp. (jointly). **Bids** — Expected on May 3 at 11 a.m. (EST).

● **Washington Natural Gas Co. (5/3)**
March 6, 1961 it was reported that this company plans to sell about 110,000 additional shares of common stock (par $10). To be offered for subscription by stockholders on the basis of one new share for each 10 shares held of record about May 3. **Proceeds**—To repay bank loans and for construction. **Office**—1507 Fourth Ave., Seattle, Wash. **Underwriter**—Dean Witter & Co., San Francisco, Calif. (managing).

**Welch Scientific Corp.**
Feb. 15, 1961 it was reported that registration is expected shortly on an undisclosed number of common shares. **Underwriter**—Hornblower & Weeks, New York City.

**West Penn Power Co.**
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Dr., Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co. and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

● **Western Union Telegraph Co.**
Feb. 28, 1961 it was reported that the FCC has approved the company's plan 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 about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and ten shares of stock. In addition, American Securities Corp., New York City, 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. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office**—60 Hudson St., New York City. **Underwriter**—American Securities Corp. (managing).

**Wisconsin Power & Light Co.**
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 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).

# Std. Shell Homes Secürs. Offered

Public offering of 45,000 units of securities of Standard & Shell Homes Corp. was made on March 13 by Aetna Securities Corp. and associates. Each unit, consisting of six shares of common stock; one subordinated sinking fund 9% debenture ($10), due Nov. 1, 1985, and two warrants expiring Dec. 31, 1963, was priced at $17.50.

Net proceeds from the financing will be used by the company for the construction of model shell homes in certain locations; for the construction of finished model homes in Hollywood, West Palm Beach, Jacksonville, and the St. Petersburg-Tampa areas of Florida; and for additional working capital to be used in construction operations. The balance of the proceeds will be used to hold first mortgages on shell homes and junior mortgages on finished homes.

Standard & Shell Homes Corp., Miami, Fla., directly and through its subsidiary, Standard Homes, Inc., is engaged in the customized home building and mortgage business in the southern part of Florida.

The two warrants in each unit being offered may be exercised by their holders, prior to Dec. 31, 1963, with each two warrants entitling the holders to receive as a unit one $10, 9% subordinated sinking fund debenture due Nov. 1, 1985, and six shares of common stock, 25 cents par value, upon payment of a unit price of $17.50, plus accrued interest. The debentures will have the benefit of an annual sinking fund, beginning Nov. 1965, and will be redeemable for the sinking fund at 100%, plus accrued interest. They will also be redeemable at optional redemption prices ranging from 105% to par, plus accrued interest in each case.

## Granbery, Marache & Co. Appoints A. H. Langridge

Granbery, Marache & Co., 67 Wall Street, New York City, members of the New York Stock Exchange, have announced the association with them of Albert H. Langridge as manager of the foreign department.

## Form Pittsburgh Securities

PITTSBURGH, Pa. — Pittsburgh Securities Corporation has been formed with offices in the Gulf Building to engage in a securites business. Officers are Thomas J. Schuchert, President, and Joan L. Asti, Secretary-Treasurer.

## Prudential Inv. Corp.

MIAMI, Fla.—Prudential Investment Corporation has been formed with offices at 775 Northeast 113th Street to engage in a securities business. Officers are Nicholas M. Torelli, President; Joseph F. Donato, Vice-President, and L. F. Torelli, Secretary-Treasurer.

## Form Prudent Investors

NEWARK, N. J.—Prudent Investors Planning Co. has been formed with offices at 24 Commerce Street to engage in a securities business. Partners are William Achtel and David Gladstein.

## Wm. E. Read Co. Formed

DALLAS, Tex.—William E. Read & Co., Inc. has been formed with offices in the Southland Center to engage in a securities business. Officers are William E. Read, President; Charles M. Read and Charles B. Read, Vice-Presidents; and G. M. Read, Secretary-Treasurer. William Read was formerly with First Southwest Company and Dallas Union Securities Co., Inc.

## C. B. Snyder Opens

Clinton B. Snyder is conducting a securities business from offices at 41 East 42nd Street, N. Y. City.

## Van Horne Investments

ENCINO, Calif.—Van Horne Investments, Inc. has been formed with offices at 16218 Ventura Boulevard to engage in a securities business. Officers are Ray Van Gelder, President and Treasurer; Thomas M. Hawthrone, Vice-President, and Frank B. Oberhansley, Secretary.

## Harry Burko Opens

BRONX, N. Y. — Harry Burko is conducting a securities business from offices at 1005 Esplanade Avenue.

## Forms Capital Secs.

COLUMBUS, Ohio—Raymond A. Johnson is engaging in a securities business from offices at 50 East Broad Street under the firm name of Capital Securities Co.

## Diversified Securities

NORTH LITTLE ROCK, Ark.—Diversified Securities, Inc. is engaging in a securities business from offices at 4827 Oaklawn. Officers are Roy E. Hardcastle, President; Raymond B. Fewell, Vice-President, and R. J. Hardcastle, Secretary.

## Forms Financial Services

Herman Sperling is engaging in a securities business from offices at 509 Fifth Avenue, New York City, under the firm name of Financial Services Co. Mr. Sperling was formerly an officer of Columbian Financial Development Co., Inc.

## Peter Francati Opens

ROCHESTER, N. Y.—Peter Francati is conducting a securities business from offices in the Triangle Building. He was formerly with George D. B. Bonbright & Co.; C. B. Whitaker, and A. J. Zappa & Co.

## Opens Investment Office

ERIE, Pa. — Doris V. Pimley is conducting a securities business from offices at 1126 Chelsea Avenue.

# Businessman's BOOKSHELF

**Aramco Handbook** — Roy Lebkicher, George Rentz, Max Steineke — Lavishly illustrated book on the history, culture, customs, development of Saudi Arabia and the Middle East and the story of the Aramco Venture—Arabian American Oil Company, 505 Park Avenue, New York 22, N. Y.

**Bituminous Coal Facts, 1960** — Brochure—National Coal Association, Coal Building, Washington 6, D. C. (paper).

**Comparison of the Tax Status of Commercial Banks and Savings and Loan Associations** — United States Savings and Loan League, 221 North La Salle Street, Chicago 2, Ill. (paper).

**Cumulative Financial Index**—Index to 450 U. S., Canadian and English financial publications covering period August through November, 1960—Financial Index Company, 1295 Madison Avenue, New York 28, N. Y. (paper), $10 per copy (also available on subscription).

**Education of Businessmen**—Leonard S. Silk—Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y. (paper).

**Encyclopedic Dictionary of Business Finance**—A dictionary of financial words and phrases and a business encyclopedia — Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $19.50.

**Energy Fuels** and America's Future—Dr. Glen Lawhon Parker—National Coal Policy Conference, Inc., 100 Sixteenth Street, N. W., Washington 6, D. C. (paper).

**Federal National Mortgage Association** — Report and financial statement of the secondary market operations — Federal National Mortgage Association, 811 Vermont Avenue, N. W., Washington 25, D. C. (paper).

**Gold Problem**—C. J. Devine Institute of Finance, Graduate School of Business Administration, New York University, New York, N. Y. (paper).

**Government Price Statistics** — Hearings before the Subcommittee on Economic Statistics of the Joint Economic Committee of the 87th Congress of the United States—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $1.50.

**Growth and Stability of the Postwar Economy**—Bert G. Hickman — Brookings Institution, 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (cloth), $6.

**Growth and Taxes**: Steps for 1961 —Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y. (paper).

**Israel Investors Report** — Bank Leumi le-Israel, New York Agency 20 Pine Street, New York 5, N. Y.

**Major Activities in the Atomic Energy Programs** — U. S. Atomic Energy Commission—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C (paper), $1.75.

**Managing Major Change in Organizations** — Floyd C. Mann and Franklin W. Neff—Foundation for Research on Human Behavior, Ann Arbor, Mich. (paper).

**North Atlantic Treaty Organization** — The NATO Handbook — American Council on NATO, 16 East 50th Street, New York 22, N. Y. (paper).

**National Commercial Finance Conference Inc.** Proceedings of Annual Convention — William J. Drake, National Commercial Finance Conference Inc., 29 Broadway, New York 6, N. Y., $10.

**Potentials of the American Economy**: Selected Essays of Sumner H. Slichter — Harvard University Press, Cambridge, Mass. (cloth), $7.50.

**Profitable Marina** — Dr. Ira U. Cobleigh — Shows need for new marinas, and tells how to locate, finance and operate a profitable marina—Publishers Incorporated, 6 Church Street, New York 6, N. Y., $2.

**Small Business Investment Act of 1958**—Complete and detailed explanation, including amendments —in the Fall Issue of the Federal Bar Journal — Federal Bar Association, 1737 H Street, N. W., Washington 6, D. C., $1.50.

**Study of Travel Patterns**—Downtown-Lower Manhattan Association, Inc., 120 Broadway, New York 5, N. Y.

**United States Balance of Payments Position**—Chamber of Commerce of the United States, Washington 6, D. C. (paper), $1.

**Wage Behavior in the Postwar Period**: An Empirical analysis—William G. Bowen — Industrial Relations Section, Princeton University, Princeton, N. J. (paper), $3.

## DIVIDEND NOTICES



## DIVIDEND NOTICES

# WASHINGTON AND YOU

*BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL*

WASHINGTON, D. C. — Everything is not bad news either in Washington or across our great nation. Some good news is coming in along with the unfavorable news.

Out in the Corn Belt the farmers are stirring from the long winter with preparations for Spring plantings. The farmers are ready to begin another crop year with their corn cribs and bins holding a plentiful amount to carry them through and perhaps more before the next harvest.

Perhaps it will be a month or more before corn planting gets under away in the Great Plains States, but down in the Rio Grande Valley of Texas and South Louisiana. for instance, early corn planting has already started or finished.

While the frisky little pigs are grunting and squealing out in Iowa, and the hens are cackling in Indiana as the early mist of greenness appears in those regions, Congress is wrestling with some fresh farm problems.

**Legislative Scene**

Senator Allen J. Ellender, Chairman of the Senate Agriculture Committee, and his committee colleagues reported out a price support bill for corn and grain sorghums. President Kennedy favors similar legislation.

Under the Senate Committee bill, which is being speeded up because planting operations in the Corn Belt are so near at hand, the price support for corn would be $1.20 a bushel. For all practical purposes this is the Administration bill.

**To become eligible for support the farmer would have to cut his acreage of corn and grain sorghums and such other feed grains, as designated by Secretary of Agriculture Orville Freeman, by 30% from the 1959-1960 acreage.**

The acreage cutback could not be planted to some other crop. The Secretary of Agriculture is authorized to obligate $500,000,000 for such payments to retire acreage.

Under the legislation the bill permits the Secretary of Agriculture to remove the price support umbrella for non-participants. It would permit the Secretary to sell corn and grain sorghums from government stocks on the open market at as low as 17% below the 1961 support price instead of the normal 105%.

**The legislation is important in the American economy. It indirectly affects the price the housewife will pay in the future for bacon and eggs and ham and steak and roast beef because of the tremendous amount of corn consumed by the chickens, hogs and beef cattle in this country.**

The legislation points up the problems of the whole agricultural picture in this country.

**Farm Problem Analyzed**

No one or no group anywhere apparently has the perfect answer to the farm problems in this country. No one will dispute that incomes in agriculture are low compared to incomes in nonfarm areas.

The Federal Reserve Bank of St. Louis in its "Monthly Review" printed an article summarizing a series of separate studies — 13 in all — under the heading of "The Farm Problem. What Are the Choices" It bears a number of pertinent points concerning the problems of agriculture. Some of them will be pointed out here.

The lower incomes in agriculture stem from the lag in adjustment of farm resources to technology changes. Approximately 800,000 persons have left the farm annually in recent years. The number of farms has declined about 100,000 a year. Man hours worked have declined 2.3% per year since 1940. Cropland harvested is down from the 1950 level to about the same as 1919.

**On the other hand, capital investment in agriculture measured in constant dollars, has increased about 1.5% per year since 1940. Despite the reduction in labor and cropland devoted to farming, output of farming, of farm commodities has been growing faster than population.**

The "Monthly Review" article states that the nature of demand for most farm commodities is such that total farm income declined as production per capita increases. Consumption per person increases very little when prices decline and, conversely, consumption declines little when prices rise.

**Income Down**

With farmers increasing production at a rate exceeding the rate of population growth, total income from farming declined between 1950 and 1959. Despite the major decline in farm population, per capita income of farm people from all sources rose only about 15% during the period while per capita income of nonfarmers rose 39%.

Incidentally, the pending proposals to remove 30% of the acreage that has been planted to corn the past two years, are designed in part to cut down on the huge storage costs that the Federal Government is paying to store the surplus price-supported crops.

**The per capita income of farm people from all sources in the past five years averaged less than $1,000, only about half the average for non-farm people. However the farmer had at least one little advantage on his city cousin. He raised part of his food stuffs on his place. There are, of course, wide variations in income among farmers. Only a few farmers, from a percentage standpint, have kept pace with the new production methods, thus widening the gap between them and other farmers.**

One of the reasons that surplus crops are piling up is because there are just too many farmers and the ever growing number of production techniques. From these techniques production has doubled and tripled.

The larger-than-ample number of farmers is a result of a number of factors, including high birth rates on farms, increase in optimum size of individual farms, lack of knowledge of nonfarm opportunities by many farmers, nonmonetary benefits of country living, strong ties in rural areas, and lack of training for available job openings.

**Support Principle Ineffective**

It is estimated that the cost of a program that would reduce the number of commercial farmers to 1,500,000 over a five-year period would amount to about $1.25 billion a year. It is also assumed that 1.25 million commercial farmers must be moved out of agriculture in order to get a net reduction of 1,000,000.

Meantime, the price support and commodity loan and storage programs have become more and more expensive and less and less effective in supporting prices in recent years. The 1958 cost of programs designed primarily for farm price stabilization was $2.66 billion. Only part of the program went directly to farmers. The remainder went to other groups such as storage agencies and construction companies. The cost of the corn program in 1958 was $271,000,000, of which $110,000,000 went to nonfarmer groups.

**The facts are price support and storage programs are inefficient as price-raising devices in agriculture. They provide only temporary relief and, in fact, actually tend to impede rather than promote adjustments needed in the industry.**

Storage and price support programs have proven conclusively that they cannot handle problems of over-production of farm products, and over-supply of farmers.

Although acreage of crops harvested has remained practically constant since 1920, average yields for feed grains, for example, have risen more than 70% since 1937-41. This condition has been made worse by price supports. They have induced still greater production while at the same time reducing consumption.

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


**"The Chairman and the President both wanted to be on the cover—but they finally reached a compromise."**

# COMING EVENTS

*IN INVESTMENT FIELD*

**March 9, 1961 (Chicago, Ill.)**
Investment Analysts Society Midwest Forum.

**March 15-16, 1961 (Chicago, Ill.)**
Central States Group of the Investment Bankers Association of America 25th annual conference at the Drake Hotel.

**March 26-31, 1961 (Philadelphia)**
Institute of Investment Banking, Wharton School of Finance & Commerce.

**April 7, 1961 (New York City)**
New York Security Dealers Association annual dinner at the Hotel Commodore.

**April 12-14, 1961 (Houston, Tex.)**
Texas Group Investment Bankers Association of America 26th annual convention at Shamrock Hilton Hotel.

**April 21, 1961 (New York, N. Y.)**
Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf Astoria.

**April 29-May 3, 1961 (Richmond, Va.)**
National Federation of Financial Analysts Societies 14th annual convention at the John Marshall Hotel.

**May 1-3, 1961 (Philadelphia, Pa.)**
National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

**May 8-9, 1961 (St. Louis, Mo.)**
Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

**June 15, 1961 (New York City)**
Investment Association of New York annual outing at Sleepy Hollow Country Club.

**June 22-25, 1961 (Canada)**
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

**Oct. 9-10, 1961 (Denver, Colo.)**
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

**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.

**Dec. 4-5, 1961 (New York City)**
National Association of Mutual Savings Banks 15th annual midyear meeting.

**May 6-9, 1962 (Seattle, Wash.)**
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

**Sept. 23-26, 1962 (Atlantic City, N. J.)**
American Bankers Association annual convention.

**April 27-May 1, 1963 (Boston, Mass.)**
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

## Howard Goldstein Opens

HOWARD BEACH, N. Y.—Howard Goldstein is conducting a securities business from offices at 157-17 Eighty-Third Street.

## Form Seay & Thomas

CHICAGO, Ill.—Seay & Thomas, Inc. is engaging in a securities business from offices at 30 North La Salle Street.

## K. E. Edwards Opens

BLOOMSBURG, Pa.—Kenneth J. Edwards is engaging in a securities business from offices at 304 West Fourth Street.

## H. Courtright Opens

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Hernando Courtright is conducitng a securities business from offices at 9908 Santa Monica Boulevard.