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Editorial AS WE SEE IT

"The first hundred days" of the Kennedy Administration have passed and the inevitable comparisons with the first hundred days of the first term of Franklin Roosevelt have become the order of the day. Obviously, President Kennedy has been able to come nowhere near the early days of the New Deal in terms of revolutionary changes in the legislative structure of the nation. There was, of course, no earthly reason why such an achievement should have been expected, and if there are those who now find revolutionary hopes disappointed, the fault is really that of President Kennedy and those who surrounded him during the campaign and during his early days in office. It was they who did their best to convince the public that rather terrible things were the matter with the country, and that only the most energetic and radical action by a new Administration could be expected to set things aright. It is clear that the great rank and file did not take such ideas very seriously, and the temper of the people at large has been and is being reflected in Congress.

For our part, we are well satisfied with the more rational attitude displayed by the people of this nation, and hence with the refusal of Congress to be stampeded into the sort of legislation which at one time at least the President appeared to wish. The fact is that we should have been pleased if some of the legislation that has actually reached the statute books had suffered the fate of other proposals by the President. The cold fact is that the whole theory of "the first hundred days" as expounded by the Kennedy entourage is quite without validity in current circumstances. In the first place, the country is in no situation from which it needs to be rescued by a hodge podge of revolutionary legislation—the only kind that is likely to come out of a hundred day legislative marathon. There was, of course, no reason for it in 1933—only a sort of popular excuse—but today even the excuse is absent. Now that the first hundred days of the present Ad- (Continued on page 16)

The Not Too Well Known Realities Of Civilian Atomic Energy Uses

By Loren K. Olson,* *Commissioner, U. S. Atomic Energy Commission, Washington, D. C.*

Ticked off are the greater achievements in peaceful atomic energy uses than that generally realized. Commissioner's progress report notes: (1) certain completion of 16 electric power plants by 1962; (2) construction plans made for 300,000 kilowatt, and larger, plants; and (3) AEC's avowed goal to produce power competitive with fossil fuels. Mr. Olson sees nuclear electric power in our country's high cost areas by 1968, and details nuclear progress in propulsion power, radioscopes, thermonuclear research, and in the space travel area.

One major goal in the civilian development of nuclear energy has been its use as a source of electric power. Current estimates are that about 11 million kilowatts of additional electrical capacity will be installed in the United States on an average each year for the next 10 years to keep pace with the mushrooming demands for electric power in this country. At the same time, present compounding of fossil fuel requirements would exhaust fossil fuel resources by the middle of the next century. These two factors—increasing demands for power and eventual dwindling of fossil fuel supplies—present both the compelling reason and the needed opportunity for the development of nuclear energy as a major source of electric power production. The objective of the United States nuclear power program has been stated many times. It is, basically, to develop the technology which will permit the production of this power at low cost in competition with power from fossil fuels. Our immediate goal is to reduce the cost of nuclear power to a point where utility management in high cost fuel areas can make a decision to build large nuclear power plants on economic grounds alone by 1968. It is our hope that in subsequent years an increasing number of utility executives will make such a choice in an ever-widening range of locations and plant sizes.

Loren K. Olson

I have already said that immediate "prospects" for civilian nuclear uses are more than prospects—they are realities. What are the realities in the power picture? I should like to summarize the actual civilian nuclear power production capacity as it now exists, as it will be augmented during the current year and as it will be still further increased in the year to come.

As of today, five central station nuclear power plants are producing significant quantities of electricity for home and industrial consumption. These include the Vallecitos plant of the Pacific Gas & Electric Co., at Vallecitos, Calif., whose capacity is 5,000 electrical kilowatts; the Santa Suzana, Calif., plant of the Southern California Edison Co., whose capacity is 6,000 electrical kilowatts, and the Shippingport, Pa., plant operated by the Duquesne Light Co., of Pittsburgh—the first atomic power station ever to be brought into sustained civilian power production—with a present capacity of 60,000 kilowatts, but due, with a new reactor core of advanced design, to produce 100,000 kilowatts of electricity late in 1962.

Two other plants of still larger capacity now are operating.

One of these is the 110,000-kilowatt reactor of the Yankee Atomic Electric Co., which began full power production in January of this year. The other is the 180,000-kilowatt Dresden plant of the Commonwealth Edison Co., of Chicago, so far the world's largest nuclear power reactor. Although the Dresden plant was shut down recently to permit the resolution of control rod drive difficulties of a technical nature, it is (Continued on page 28)

STANY Pictorial Section in This Issue

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

Dennison Manufacturing Co. "A" — J. Walter Leason, Manager, Investment Research Department, Gregory & Sons, New York City. (Page 2)

Philadelphia & Reading Corp. — David B. Hill, Manager of Research, J. R. Williston & Beane, New York City. (Page 2)

J. WALTER LEASON

Manager, Investment Research Department, Gregory & Sons, New York, New York

Members: New York Stock Exchange, American Stock Exchange, Midwest Stock Exchange

J. Walter Leason

Dennison Manufacturing Company "A"

Sometimes an old conservative company can provide unusual investment opportunity while offering limited risk. Such a situation seems to be presented by Dennison Manufacturing "A" traded on the American Stock Exchange. Greatly expanded research and development, expenses of acquiring two new subsidiaries, and the general decline in business have tended to obscure the progress being made. The stock is available at about 21 times the $1.82 a share earnings reported in 1960. Despite a slow first quarter, the company will probably do as well or better in 1961. By the end of the year, a higher rate of earnings should be reported. There should also be greater evidence of the company's increasing research efforts. Within the next few years, it is our estimate that earnings could reach $3.50-$4 a share and the bulk of earnings should be derived from Dennison's participation in dynamic new fields.

A base of over 6,000 paper products developed by Dennison since its founding in 1844 provides unusual investment strength. Increasing expenditures for research and development and integration of its specialized abilities with new technologies may transform this conservative company. The business has been reorganized for efficiency into several divisions: (1) Box Division; (2) Gummed and Coated Paper Division; (3) Resale Products Division; (4) Industrial Products Division, and the newer divisions (5) Machine Systems and (6) Therimage. Few companies are so well diversified or have as widespread distribution. Dennison's total sales in 1960 were $45,523,000.

The Machine Systems Division appears to have a bright future in electronic data processing. Its Print-Punch machines have been successfully used for several years as an input media in data processing to code-punch industrial tags and tickets (also made by Dennison) with a substantial quantity of information. The recently announced Dat-A-Read uses a photoelectric beam for rapid processing of punch coded tickets through data processing computers. Compatible with all major systems, the combination of Print-Punch and Dat-A-Read machines give Dennison a growing position in this vital industry. These and other data input developments on which the company is working, could add $5-$10 million annually to Dennison's volume of data processing business.

Modern Packaging magazine (September, 1960) has called the company's Therimage transfer labeling method one of the "great packaging discoveries." This revolutionary process in a single step heat-transfers labels in five colors on film, paper and plastics. Therimage will decorate over 300,000,000 blow molded plastic bottles of various shapes in 1961; in fact, Therimage is an important reason for the rapid growth of these semi-rigid polyethylene bottles. Dennison recently purchased a small plastics molding company which will also make Therimage decorated products. Sales of Therimage were $20,000 in 1958; $300,000 in 1959; $1 million in 1960 and may possibly be $3 million in 1961. The market is growing so rapidly that one may comfortably project $6 million to $10 million of sales in the reasonably near future with a considerably higher profit margin on this business. There is also a possibility of adaptation of Therimage techniques to glass bottles.

Dennison has pioneered many products over the years and its current research program is the most ambitious in its entire history. One of the very promising efforts is in the office copy paper and machine market. The company is doing research on the Electrofax process which is a dry electrostatic method of reproduction. The Electrofax process makes possible very high resolution beyond ordinary commercial requirements and is even adequate for exacting engineering applications.

Dennison has been working on its copying machine for approximately the last three years. It has already developed a good white electro-photographic paper. Work on the photocopy machine itself is encouraging and may lead to field tests by the end of 1961, especially since the electrofax paper is of remarkable quality and ready for actual use. It is a natural market for Dennison and has an enormous sales and profit potential. Apart from Minnesota Mining and Eastman Kodak, Dennison is the only company in the United States with experience in (1) coated paper; (2) building machines; and (3) selling office equipment and supplies.

Capitalization at Dec. 31, 1960, consisted of 29,420 shares of $100 par $8 debenture stock, 1,145,470 shares of class "A" common and 75,318 shares of voting common both of $5 par value. The class "A" and voting common (held solely by employees) differ principally in respect of voting privileges. Book value per combined class "A" and common shares as of Dec. 31, 1960, was $17.41 a share. Net working capital at this date was $14,973,000 and was easily strong enough to support a substantial expansion program.

DAVID B. HILL

Manager of Research, J. R. Williston & Beane, New York 4, N. Y.

Philadelphia & Reading Corp.

To choose one security above all others which might appeal to a wide range of investors is clearly an awe-inspiring task under "normal" circumstances. To make such a choice in market environment such as we are currently in, makes the choice doubly difficult. For any one of a variety of reasons (the number is limited only by the extent of one's imagination), the stock market seems for many months to have been saying that what is important in a given company is not the size and extent of its earning assets, or the demonstrated ability and capacity of its management, or the record of sales and earnings growth, but rather some more esoteric aspects, such as the number of PHDs working in a laboratory, or the glamorous nature of a particular product, or the likelihood that a manufactured segment or component will find itself used in the next moon shot, etc. It seems to us that such an "non-value" aspect of the stock market must be transitory at best, and that at some point security buyers will begin to shift away from unknown glamour favorites and completely unsupportable price-earnings ratios (some companies we know of are selling on the basis of price-sales ratios!) and once again buy, on a reasonable basis, a dollar of sales and a dollar of earnings.

This rather lengthy preface serves to introduce a company which has by no means lagged in the recent advance of the stock market (the current price of 64 is very near the top of this year's price range of 66-33), but which is run by a management operating under some rather old-fashioned (by some standards) financial precepts, and with a record of achieving results that augurs well for the future.

By long-term association, Philadelphia & Reading Corp., is considered to be a coal company, and an anthracite producer, at that. People recall plans for formation of chemical companies using anthracite residue which did not come to fruition, and they are, perhaps, vaguely aware of the management repute of the principal officer of the company, Mr. Howard Newman. To those whose information is not much greater than that, we point to the following: PRG is no longer in the coal business (the last coal properties were sold early in 1960); it has in recent years acquired a number of companies producing such diverse items as men's and boys' underwear, work clothing, dress and sportshirts, cowboy boots, toys and dolls, and basic chemicals. Before the reader protests that this is really rather a dull list of products, we should like to point out PRG's basic target of obtaining at least a 15% return on investment in every acquisition they make. This is not an unhandsome achievement to report, and the point might well be borne in mind in appraising future acquisitions of the company.

The steps taken by Mr. Newman and his associates in transforming Philadelphia & Reading from a deficit-ridden coal mining operation into an exceedingly profitable soft goods and chemical corporation were as follows: In 1956, Union Underwear Co. was acquired. In 1958, Acme Boot and Blue Ridge Co. were acquired; in 1960, Deluxe Reading (toys) and Chatham Reading Chemical came into the PRG fold, and earlier this year P&R acquired Fruit of the Loom. Each of these companies was important in its own field: Union Underwear was the largest producer of undergarments for men and boys, and currently sells something like 8 million dozen garments each year. The company is well managed, and has profit margins substantially higher than its competitors (margins are aided by the fact that Union's high volume permits it to distribute directly to merchants, by-passing jobbers). Acme Boot was acquired from an initial cash payment of $1 million, with $2.5 million subsequently

Continued on page 16

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

The Economic Outlook On the New Frontier

By Elliott V. Bell,* *Editor and Publisher, Business Week Magazine, New York City*

Publisher and member of Secretary Goldberg's Advisory Committee and former N. Y. State banking head urges top priority be given to tax cut and tax reform which he depicts as a major national economic task. In his paper dealing with major economic problems, Mr. Bell reviews what the Administration has accomplished to date and the pace of our recovery; and suggests what should be done to avoid a legacy of incomplete recovery. Noting the interrelatedness of such problems as technological change, structural unemployment, economic growth, high production costs and inflation, Mr. Bell addresses himself to what should be done about them.

My purpose is to examine the current state of business, the Kennedy Administration as revealed in its first three months in office, and some of the major economic problems that will confront our nation in the years immediately ahead.

Elliott V. Bell

We need not spend too much time on the current recession. It has been in progress for about a year. it has been exceedingly mild. It has followed, to a remarkable degree, the precise pattern that most experts foresaw from the start. It is now clear that we are already at, or very close to, the bottom of the downturn.

Signs of recovery are multiplying. Business has begun to reduce the rate at which inventories are being liquidated. Spending on new plant and equipment, which had been cut back $2-$2½ billion in the past 12 months, is scheduled for at least a moderate improvement later this year.

Expenditures by Federal, state and local governments are rising. All government spending on goods and services, incidentally, this year will exceed $100 billion, which is equal to one-fifth of the value of all we produce. Construction is feeling the lift of spring. Good weather, after a rough winter, is bringing cheer to the hearts of auto dealers and producers of durable goods. The stock market, fulfilling its classic role of harbinger of things to come, has been forecasting, ever since the election, either a dramatic business recovery or a great inflation or both.

There are, of course, still many soft spots, but the plus signs exceed the minuses.

Recovery's Vigor

I think we can safely say the turn has come; recovery is under way. The big question, of course, is how vigorous and sustained a recovery it will be. On this point there is considerable difference of opinion.

At the first meeting, last month, of the President's Labor-Management Committee, President Kennedy told us he would not be surprised to see a recovery of business this summer but a continuation of 6% or 7% unemployment in the fall.

On the other hand some business and university economists—probably a minority at this point—think the recovery will be sharp, vigorous and sustained.

My own view is the recession will have clearly passed its turning point within the next month. By June the forces of recovery will be obvious to all; and by late autumn the revival will be vigorous with Gross National Product running at a rate of $520 billion or better, compared with a scant $500 billion in the first quarter. On the record, 1962 will almost certainly be the most prosperous year in our history thus far. For the moment let's leave it there, while we have a happy thought to hold.

But before we throw our hats in the air, it should be noted that the recession of 1960-61, even when it has ended, will leave behind a haunting legacy of doubt and worry.

Legacy of Incomplete Recovery

The thing that has been really disturbing about this recession is that it followed so soon after the 1957-58 decline. We are apt to think of the business cycle as comprising a complete wave—from a peak of prosperity to a pit of recession and back to a new and even higher peak of prosperity. Indeed, our earlier postwar business cycles did have this neat, orderly and rather reassuring appearance. Not so the recessions of 1957-58 and 1960-61. These two were not only closely bunched together but were actually interdependent.

The fact is we never really achieved full recovery from the recession of 1958. Even in the most prosperous period of 1959 unemployment remained substantial. It is possible that we should think of the entire period extending from the middle of 1957 to the present as a period of quasi-depression analogous to, though happily much less severe than, the Great Depression of the 1930's when we had several up and down oscillations of the business curve but could not escape from the curse of massive unemployment.

The haunting question is: Do these recent years reflect merely the ending of the postwar era with its pent-up demands, inflated credit and inadequate productive capacity; or, are we witnessing a return of the dilemma of the pre-

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OBSERVATIONS...

BY A. WILFRED MAY

THE SIGNAL-ERS JAMMED AGAIN
(VIA OUR MAIL BOX)

Last week's "Observations" (April 27) to which our correspondent refers below, was devoted in part to Market Signals' Jamming. We maintained that (1) the market gadget-eers' reliance on "bucketing" on the premise that "the crowd is always wrong," typifies the technicians' course to logical absurdity; (2) this is currently highlighted by the reasoning by both the Odd-Lot and Short-Selling Signal-men that their categories—comprising both the unsophisticated (odd-lotting) and the sophisticated professional (short-selling) investors—are to be bucketed as wrong; (3) that this adds up to the fantastic conclusion that practically every investor is a "Sucker"; and (4) that the futility of using combined tools is strikingly demonstrated by the latest odd-lot figures' expert interpretation as bullish simultaneously with the short-sales data as bearish.

Mr. Coe, whose letter follows, is an international market economist who has been long interested in Odd-Lot interpretation; and senior partner in the Stock Exchange member firm bearing his name.

Dear Mr. May:

(a) I have read the paragraphs in your column of April 27 on the so-called interpretation of odd lots—and I must take you to task as well as the people who have been trying to correlate the odd lot figures and make them turn hand-springs.

In order to get the most out of the worthwhileness of the odd lot interpretation, the figures have to be examined over a reasonable period of time—in my opinion at least ten to fifteen weeks. Furthermore, it is equally silly to take just the short selling figures, whether they are high or low, as a broad manifestation of bullishness or bearishness without at the same time co-ordinating them with the ordinary buying over selling and vice versa.

(b) I can give you an excellent illustration: Odd lot short selling was at its peak when the market was at its latest bottom. This was a very good and bullish sign; in fact it always is. More recently, or as a matter of fact, starting ten weeks ago, the odd lot short selling figures went way down, and some of our "Johnny come lately" discoverers of odd lot interpretation, characterized the market as being very vulnerable for the reason that the public had lost its bearishness.

This was only half the story, because on the other side of the coin the odd lots were still selling more than buying, thereby nullifying the low percentage of odd lot sales.

I will agree that if during the next two or three months we again begin to get odd lot buying over selling in the ordinary course of events running at least between 10% to 15%—and consistently for ten to fifteen weeks—while at the same time the short selling figures remain very low—then—and only then will you have a legitimate cause to fear a major reversal in the Stock Market.

IMPORTANT OUT-OF-BOUNDS THREAT

All of this of course is subject to major political moves, which at all times are out of bounds factors, and which cannot ever be evaluated either by odd lots or 100 share lots or by any other indication for that matter.

In other words, my opinion is that barring any political upheavals, or any major change in United States foreign policy, we still have some time to go before somebody rings the bell.

Faithfully yours,

JACQUES COE.

New York City,
May 1, 1961.

Per our foreword above ("a"), the "hand-spring" we ourselves turned were away from, not for, the whole-souled interpretation of the Odd-Lots. ("b") the figures with the ordinary selling and buying combined with the short-sales, have indeed been examined "over a reasonable period of time," not only for ten or fifteen weeks but for more than ten or fifteen months, by the authority whose method we cited, the Garfield A. Drew Odd-Lot Studies.

In any event, the logical conclusion of this fortnight's discussion seems to lie in endorsement of an investing approach centered on appraising individual issues on the basis of long-term value criteria.

* * *

OUR SPLIT-PERSONALITY DEPARTMENT

(Item No. 3)

"Big Board to Try a New System to Run Its Ticker Tape Faster—"

The accompanying article in the New York *Times* of April 28 carried an announcement by the New York Stock Exchange of its further achievements in speeding-up the quotation ticker.

"When it appears that the volume may cause the tape to run late, the last two volume-digits of all transactions in 100-share unit stocks, regardless of size, will be deleted. Sales in a particular stock at the same price will be 'bunched' whenever possible . . ." etc.

The public is reassured that "there will be no change in the present practice of printing FLASH stock prices when the tape is five minutes late or more."

It is explained by the Exchange that while the printing capacity of the present stock ticker is 80 to 85 sales, or 500 characters, a minute, "it is believed that the Exchange's new procedures could increase the ticker tape's speed by at least 25%."

Electronics vs. Investing

We have commented on two previous occasions in this space* on the Split Personality exhibited by both the New York Stock Exchange and the American Stock Exchange or rather *Split Abilities*, in the contrast between their great scientific progress in speeding up the quotations; and on the other hand, in the lag in the elimination of the public's speculative excesses. Perhaps even the quotation speed-up actually sabotages the Exchange's advertised pro-investment theme ("What will your retirement income be? Will you be financially prepared to send your children to college? The New York Stock Exchange's spring advertising program [$460,000] will pose questions like these in showing how stocks and bonds can contribute to family security."—From N. Y. S. E. release, Jan. 31, 1961.)

*"Tops in Stock Market Automation; Science Vs. Investment," Jan. 12, 1961. and "Schizophrenia at the Stock Exchange," March 30, 1961.

The D. J. Bingo-ed

A walk along our fair city's boulevards any day or night will reveal to you further modernization of our Numbers Game. At least two member firms have rigged up an outdoor signboard, displaying in neon lights the exact twice-a-day changes in the Dow Jones Average box score. (presumably easing the indoor-outdoor conflict between "investment" and World Series reporting. Or is this closer to glamorized Bingo?)

Let us hope that the *investment* side of the Exchange's Split Personality can be built up—bearing in mind that this will be impossible without the vigorous whole-hearted support of the member firms and their associates.

PLUNKED ON THE PONY PAGE

In the New York *Herald Tribune* of April 25, six columns of stock quotation tables appeared on the very same page as the charts at Aqueduct "Track fast . . . Pari-mutuel [sh!] handle, $3,187,881; attendance, 32,321"—and flush against Tom Reilly's prominent column on the Ponies.

Do our readers believe that a Freudian slip by the copy editor?—or perhaps merely this newspaper make-up merely manifests orneriness, like your columnist?

* * *

CONFLICT OF INTEREST —AND OF THE GROUND RULES

We must hope that the enormous volume of Presidential Messages pouring on the legislative branch does not obliterate action on some real "musts" buried therein.

One such important item exists in last week's Presidential Special Message to the Congress on Conflicts of Interest. It is to be found in the section (III) discussing Presidential actions and orders. Included among the problems of ethics in government, with which the President has the power to deal directly, is the fair and constructive application of standards to the retention of their personal property holdings, by appointees to the Executive Branch.

The Present Crazy-Quilt

The crucial need here, and so recognized by the President, is for government-wide uniformity in the application of the ground rules. Thus replaced must be the crazy-quilt of decisions resulting from the existing laws; from their own formal rules independently set by the individual Agencies and Departments; and, most important, the Congressional Committees' obligation to fill in the gaps by making *ad hoc* decisions while conducting hearings on Confirmation of Appointees-designate.

"These laws are disjointed, overlapping, ambiguous, and improperly focused. They are anachronistic—addressed in many respects more to the problems of the 1860's than the 1960's. Literal compliance with the statutes would in some cases lead to absurdities, so they are often tacitly ignored or else circumvented through casuistry," thus reported Senator Jackson's Subcommittee on National Policy Machinery at the end of February.

The Stockholding Designate's Difficulties

The Conflict of Interest problem arising from a Designate's personal stock holdings gained the public's cognizance in 1953 through "G.M.'s" Charles Wilson's highly publicized run-in with the Senate Armed Services Committee over his famous "What's good for General Motors is good for the U. S." (completely misconstrued via lifting-out-of-context). The nonuniformity of an appointee's obligations regarding his property holdings is now again highlighted by the advent of a new Administration.

Secretary of Defense McNamara agreed to liquidate his Ford stock holdings; and, setting a precedent, to inform the Committee of the disposition of the proceeds, namely into a trust. In selecting the investments for this instrument, the adviser had been instructed to abstain from any issue that might be called Defense. Furthermore the trustee will make periodic reports to the Senate Committee, containing a portfolio inventory and transactions information. The trust will be revocable, which surely seems only fair to officials.

On the other hand, the incoming Under-Secretary of Commerce, Mr. Edward Gudeman, a former officer of Lehman Brothers and Sears Roebuck, along with others, agreed to set up an *irrevocable trust*.

The SEC's Self-Discipline

The rules of the Securities and Exchange Commission, in a differing approach, do not prescribe the liquidation of any securities from an incoming official, instead confining its authority to subsequent transactions on both the buy and sell sides. Formal clearance must be secured in advance from the Commission. Hence, it should not have been surprising to hear that Chairman Carey engaged in no liquidations, excepting for some Mutual Fund issue shares held by himself and his wife.

Also under SEC rules, an employee must keep a new purchase for at least a year.

"At the Treasury"

Secretary of the Treasury Dillon, volunteered and agreed with the confirming Senate Committee, to place the proceeds from the sale of his securities into a trust irrevocable while he remains Secretary of the Treasury. Twelve issues are being retained by Mr. Dillon, including that of U. S. & Foreign, the listed investment company, in which he and his family own a 38% interest.

The Interstate Commerce Commission forbids the holding of any security in any carrier or related agency.

A Timely Study

The Association of the Bar of New York, through one of whose committees has made a most exhaustive study of the subject, with the findings published in a volume *Conflict of Interest and Federal Service*. In the corporate securities area it made the recommendation that the official disclose his interest, and then disqualify himself from acting in any related case.

What ever the solution that becomes agreed on, let it be adopted all-inclusively, uniformly — and promptly.

* * *

A SOOTHER OF TAX PAINS

Just as the Russians have it on us in Astronautery, the British excel us in the art of writing.

In the context of taxes even more intricate than ours, with the most complex provisions affecting both investment income and company profits, our democratic cousins' political rowdyism has been soothingly translated into the following gloriously sophisticated fiscal prose:

"The Chancellor of the Exchequer, Mr. Selwyn Lloyd, having rejected a capital gains tax, has felt politically obliged to cover most of the £83 million relief on surtax in a full year by a £70 million rise in profits tax in a full year. This is the second year running, and the fifth time in eleven Conservative budgets, that profits tax has been raised; there has rarely been any attempt at economic rationalization behind these increases, which have merely been imposed because at some stage in every Tory Chancellor's budget speech — when the Labor benches are in uproar — the Chancellor wants to quieten the House by showing that he is a very egalitarian-minded chap, too. Yet the whole question of the proper level for business taxation is one of the most complicated economic problems that any Treasury has to solve. It is intolerable that it should constantly be decided in this country by a Chancellor's desire to lower by a few decibels the volume of noise that emanates from the benches in front of him for some ten minutes on an annual April afternoon."

—From the London Economist, April 22, 1961.

New Kalman Branch

MINOT, N. Dak. — Kalman & Company Inc. has opened a branch office at 107 Central Ave., West., under the direction of Robert E. Schaeffer.

Wash. Nat. Gas Makes Offering To Stockholders

The Washington Natural Gas Co., of Seattle, Wash., is offering holders of its outstanding common stock the right to purchase 114,884 new shares at $29 per share. The basis of the offering is one new share for each 10 shares held of record May 1. The rights expire May 22.

The net proceeds will be used by the utility to repay bank loans incurred for construction, and for additional construction.

The company retails natural gas in the Puget Sound area of Washington.

Adelberg to Join Divine, Fishman

Arnold J. Adelberg will acquire a membership in the New York Stock Exchange, and as of May 4 will become a member of the firm of Divine & Fishman, Inc., 2 Broadway, New York City, members of the New York Stock Exchange. Mr. Adleberg was formerly a partner in Rittmaster, Adelberg, Voisin & Co.

TAX-EXEMPT BOND MARKET

By DONALD D. MACKEY

The tax-exempt bond market continues to do exceptionally well. While both long-term governments and corporates have recently shown an improved tone, these performances have been generally erratic as compared with the gradual but steady gains indicated in the state and municipal bond lists through the past several weeks. The stimulus for these gains has derived from the body politic and from the machinations of the Federal Reserve.

Vital Factors Favoring Bond Market

Inferences drawn from the Administration's foreign and domestic policies, legislation recently passed and under serious consideration, as well as the vicarious unannounced activities of governmental departments, bureaus, etc., might logically presume a deficit above and beyond the moderate amounts guessed at earlier in the year are leading to the general belief that the Federal Reserve may cooperate more extensively in reducing long-term rates.

In possible anticipation of later needs, the Treasury has increased its weekly bill borrowing which may amount roughly to about $1,500,000,000 during May and June. This increased financing may be interpreted as helpful to the market since the demand for short-term investment has greatly increased with increased monetary ease. Since most of it will be in short-term form, it will be helpful to the Federal Reserve in its balance of international payment problems. In this respect, some moderate rate increase in the short-term market would now be welcome. The relationship to long-term rates would not be seriously disturbed within reasonable limits.

Help From Federal Reserve

Moreover, the ability of the Federal Reserve to more suasively deal with a greater demand for funds stimulated by increased business activity is easily accomplished within the framework of its normal operation. Lower long-term bond rates appear politically advisable, it would seem, and the Treasury Secretary has said that the government can run "modest" deficits and keep credit easy without running the risk of inflation, although he is publicly challenged on these points.

Thus, it would seem to many investors, as well as bond dealers, that further political implications financially, will involve the money managers in a vortex requiring lower long-term rates at least for awhile. This Administration seems not likely to tolerate higher long rates in natural response to the demand for money. In fact, the Senate-House Economic Committee has charged that the Federal Reserve open-market purchases of long-term government bonds have been but a token gesture toward reducing long-term interest rates.

Tax-Exempt Market in Fine Shape

These seemingly extraneous factors are mentioned in our state and municipal bond column because they have been the guiding bond market influences, particularly in recent weeks. The technical conditions surrounding municipals have been more favorable than those concerning governments and corporates. A moderate and well balanced new issue calendar has led to a relatively favorable supply situation coincident with a generally favorable average price level.

Although inventories have been high, this condition has become well adjusted during the past two weeks. Consequently, it can be said that municipals, rather than passively following the lead of governments and corporates during this recent market move, have led the way with a gradual advance. In a general way, it can be said that the state and municipal bond underwriters have been doing a consistently good job, both in their consultation services with the larger issuers of tax-exempt bonds and in their more flexible pricing policies under unusual or unexpected market pressures or under circumstances involving extraordinarily large volume within a brief period of time.

Yield Index Continues Downward

The Commercial and Financial Chronicle's 20 year high grade general obligation bond yield Index was reduced again this week. Today it stands at 3.30%. A week ago this yield average was at 3.323%. This represents an average market betterment of about three-eighths of a point during this brief period.

The *Smith, Barney & Co.* Toll Road bond yield Index averaged at 3.70% on April 27, the last weekly reporting date. For the previous week the average was 3.69%. Some price resistance seems normal in this category in view of the steady price rise since last fall; at times against the market. We believe that the gap between the toll road bond average and the state and municipal bond average will continue to narrow. This judgment is largely based on intrinsic considerations; it also considers the tax advantages inherent in their better than average coupon rates.

The street municipal inventory situation seems to be much improved. On Thursday, April 27, the *Blue List* state and municipal bond total was reported as $411,-061,000. On May 3 the total was reported at $368,767,000. With new issues going well, this figure will likely go somewhat lower. In this connection, the calendar of new issues bears a favorable relationship. As of May 3, the sealed bid schedule totals little more than $380,000,000. Those that follow our comments know that this is a particularly moderate total for this time of year.

Recent Financing

On Monday, May 1, $4,436,000 Pima County, High School District No. 1, Arizona (1962-1981) bonds were awarded in close bidding to the syndicate managed by the Harris Trust and Savings Bank and which included White, Weld & Co., Wertheim & Co., The Valley National Bank of Arizona, the First National Bank in Dallas, and Dominick & Dominick. This district encompasses an area of approximately 247 square miles in Central Pima and includes the City of Tucson. The bonds were reoffered to yield from 1.70% in 1962 to 3.50% in 1980. The last maturity bore a 1/4 of 1% coupon and was priced to yield 4.15%. The issue met with excellent investor reception and only $547,000 bonds remain in account.

Underwriters were kept busy on Tuesday, May 2, with the several new issues which came to market. The largest issue of the day, $30,-000,000 Los Angeles Unified School District, California, was won by the account managed jointly by Lehman Brothers, Harriman Ripley & Co., Inc., and Halsey, Stuart & Co., Inc. Included among the major underwriters in the group were Weeden & Co., Blair & Co., Inc., Phelps, Fenn & Co., Goldman, Sachs & Co., Eastman Dillon, Union Securities & Co., and several others. The bonds, which were reoffered to yield from 1.50% to 3.60% for 3½s, met with good investor demand. The present balance is reported as $4,400,000.

Also on Tuesday, Grand Rapids, Michigan, the second largest city in the state, came to market with concurrent bond sales; $9,650,000 Water Revenue (1962-1985) bonds and $3,000,000 Sewer Revenue (1965-1982) bonds. The proceeds from these well regarded issues will finance various improvements and extensions to the city water supply system. The syndicate managed jointly by The First Boston Corp., Harriman Ripley & Co., Inc., and First of Michigan Corp., and including among the major underwriters John Nuveen & Co., J. C. Bradford & Co., Dominick & Dominick, Ira Haupt & Co., and others, was the successful bidder for the water bonds. The issue was reoffered to yield from 1.70% in 1962 to 3.45% in 1984. The last maturity bore a 1% coupon and was priced to yield 4.10%. Upon initial reoffering about two-thirds of the issue was sold; the present

Continued on page 7

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.65%	3.50%
Connecticut (State)	3¾%	1980-1982	3.35%	3.20%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.30%	3.20%
New York (State)	3%	1978-1979	3.30%	3.15%
Pennsylvania (State)	3⅜%	1974-1975	3.05%	2.90%
Vermont (State)	3⅛%	1978-1979	3.20%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.30%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.70%	3.55%
Baltimore, Md.	3¼%	1980	3.35%	3.25%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.70%	3.55%
Chicago, Ill.	3¼%	1977	3.70%	3.55%
New York City, N. Y.	3%	1980	3.55%	3.50%

May 3, 1961 Index=3.30%

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.

May 4 (Thursday)			
Port of Seattle, Washington	7,500,000	1963-1971	10:00 a.m.
May 5 (Friday)			
Pearl River Valley Water Supply District, Miss.	8,800,000	1964-1999	10:00 a.m.
May 8 (Monday)			
Cranford Township, New Jersey	1,012,000	1962-1981	8:30 p.m.
Madison, Wis.	6,275,000	1962-1981	10:00 a.m.
May 9 (Tuesday)			
Albany County, New York	4,400,000	1962-1973	Noon
Babylon Union Free Sch. Dist. No. 2, New York	1,180,000	1962-1990	11:00 a.m.
Cincinnati, Ohio	21,500,000	1971-2001	Noon
East Peoria, Illinois	1,835,000	1963-1980	8:30 p.m.
Fresno City Unified Sch. Dist., Cal.	6,000,000	1963-1991	10:30 a.m.
Niagara Falls City Sch. Dist., N. Y.	2,700,000	1962-1970	2:00 p.m.
Oakland County Eight Mile Drain District, Mich.	3,038,000	1962-1982	3:00 p.m.
Piscataway Township School Dist., New Jersey	2,400,000	1961-1984	2:00 p.m.
St. Louis County, Hazelwood Sch. Dist., No. R-1, Mo.	1,750,000	1962-1981	8:00 p.m.
San Diego County, California	7,500,000	1962-1981	10:30 a.m.
May 10 (Wednesday)			
Bloomington Indep. Sch. Dist. No. 271, Minn.	1,400,000	1964-1991	7:30 p.m.
Rockville, Md.	1,225,000	1962-1981	8:30 p.m.
Terrebonne Parish, Louisiana	1,200,000	1961-1980	7:00 p.m.
May 11 (Thursday)			
Bowling Green St. University, Ohio	4,500,000	1963-2000	11:00 a.m.
Cumberland County, Tenn.	1,075,000	1965-1980	10:00 a.m.
Cuyahoga Falls City School Dist., Ohio	2,000,000	1962-1981	1:00 p.m.
Multnomah County School District No. 3, Oregon	1,650,000	1961-1970	8:00 p.m.
May 12 (Friday)			
Oklahoma Industrial Finance Authority, Oklahoma	2,000,000	1991	9:00 a.m.
May 15 (Monday)			
Baker, Oregon	1,014,000	--------	7:30 p.m.
Chicago, Ill.	40,000,000	1963-1981	10:00 a.m.
Florida Development Comm., Fla.	2,600,000	1963-1976	11:00 a.m.
May 16 (Tuesday)			
Berkeley, Calif.	1,643,000	1962-1981	8:30 p.m.
Fairbanks Indep. Sch. Dist., Alaska	1,000,000	1962-1981	8:00 p.m.
Greenville - Spartanburg Airport District, S. C.	3,000,000	1964-1991	Noon
Jefferson County Sch. Dist., Colo.	4,200,000	--------	--------
Marion, Ind.	4,000,000	1962-1996	10:00 a.m.
New York State Housing Auth.	50,000,000	--------	--------
(Negotiated offering to be handled by a syndicate headed by Phelps, Fenn & Co., Inc.)			
Portland Water District, Me.	1,000,000	1981	Noon
Stanislaus County, Calif.	1,000,000	1962-1982	10:00 a.m.
Sweetwater Union High School District, Calif.	1,370,000	1966-1985	10:30 a.m.
May 17 (Wednesday)			
New Orleans, Louisiana	1,500,000	1962-1990	10:00 a.m.
Pennsylvania State Public School Building Authority, Pa.	24,580,000	1961-2000	Noon
University of Illinois	7,050,000	--------	--------
Warren Consol. Sch. Dist., Mich.	2,750,000	1963-1987	8:00 p.m.
May 18 (Thursday)			
Janesville, Wisconsin	2,615,000	1962-1981	11:00 a.m.
May 20 (Saturday)			
North Dakota St. Bd. of Higher Education, North Dakota	1,200,000	1963-2000	2:00 p.m.
May 22 (Monday)			
Monterey Union High Sch. Dist., California	3,200,000	1962-1986	10:30 a.m.
Palm Springs, California	3,000,000	1962-1991	3:00 p.m.
Wicomico County, Md.	1,800,000	--------	--------
Yellowstone County School Dist., Montana	1,800,000	1962-1981	8:00 p.m.
May 23 (Tuesday)			
Owensboro, Ky.	25,000,000	1962-1991	--------
Salt Lake County Improvement District, Utah	1,200,000	1964-1991	5:00 p.m.
Spartanburg, S. C.	1,300,000	1962-1991	Noon
May 24 (Wednesday)			
Ohio (State of)	32,000,000	1962-1974	Noon
May 25 (Thursday)			
Grand Forks Indep. School Dist., North Dakota	1,075,000	--------	11:00 a.m.
San Diego, Oceanside Small Craft Harbor District, Calif.	4,500,000	--------	--------
South Davis County Sewer Improvement District, Utah	1,500,000	1966-1996	8:00 p.m.
May 31 (Wednesday)			
Lafayette Parish Sewerage District No. 1, La.	1,452,000	1962-1991	4:00 p.m.

Tax-Exempt Bond Market

Continued from page 6

balance totals $3,005,000. The sewer bonds were awarded to an account headed by Drexel & Co. and included Wertheim & Co., Lazard Freres and Company, Shearson, Hammill & Co., Francis I. duPont & Co., and others. The issue was scaled to yield from 2.30% to 3.40%. At this writing about 40% of the bonds are out of this account.

Tulsa, Oklahoma sold two issues of bonds totaling $7,600,000 bonds (1963-1986) on May 2. The syndicate headed by The Northern Trust Co. and which included as majors the Harris Trust & Savings Bank, The Chase Manhattan Bank, The First National City Bank of New York and the Bankers Trust Co. submitted the high bid for the $6,000,000 municipal building bonds. Upon reoffering, the bonds were priced to yield from 1.85% in 1963 to 3.50% in 1985 as 3½s. The last maturity was reoffered to yield 4.25% with ¼ of 1% coupon. At present the issue is about two-thirds sold. The other part of the loan, $1,600,000 Limited Access Facilities bonds, was bought by the Halsey, Stuart & Co., Inc. syndicate. Scaled to yield from 1.80% to 4.25%, the issue was more than one-third sold upon initial reoffering.

Also on May 2, $3,080,000 Raleigh, North Carolina various purpose (1962-1991) bonds were awarded to the Bankers Trust Co. syndicate which included as majors the Chemical Bank New York Trust Co. and Kuhn, Loeb & Co. The bonds were reoffered to yield from 1.50% in 1962 to 3.45% in 1987. The last four maturities bore a ¼ of 1% coupon and were priced to yield 4.20%. A balance of $1,573,000 bonds remains in account.

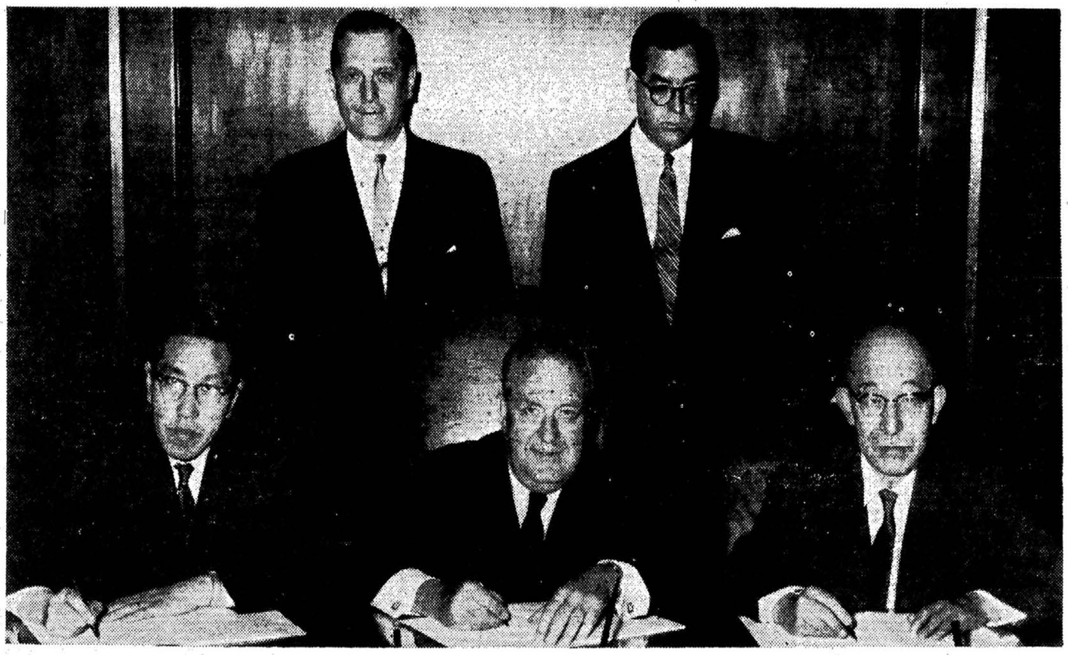
On Wednesday, May 3, the largest issue of the week, $35,000,000 Port of New York Authority consolidated bonds, 18th series, due 1962-1981 came to market. In extremely close bidding, the issue was bought by the account managed jointly by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co. and Ladenburg, Thalmann & Co. Included among the other major underwriters in the account were C. J. Devine & Co., Blair & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith and B. J. Van Ingen & Co., Inc. The issue was priced to yield 1.60% to 3.60%. The issue seems likely to receive good investor demand.

Kentucky Turnpike Issue in Offing

Although voters have recently approved a relatively heavy volume of bonds, this is not being immediately reflected in new issue offerings. At the present rate of new issue generation there would appear to be no underwriting volume problem. In the negotiated issue category there appears to be no imminent financing of importance. However, it is reported that Allen & Co. may come to market with an issue of about $45,000,000 of the Turnpike Authority of Kentucky, Western Kentucky Toll Revenue bonds in from 30 to 60 days.

S. D. Slater With Herzfeld & Stern

Sidney D. Slater has become associated with Herzfeld & Stern, 30 Broad Street, New York City, members of the New York Stock Exchange, as manager of the research department.



Signing agreements for $20 million Nippon Tel. & Tel. Public Corp. bonds being offered here are: (seated left to right) Hideo Suzuki, financial counselor of the Japanese Embassy, representing the Japanese Minister of Finance; F. H. Brandi, President of Dillon, Read & Co., Inc.; and Hachiro Ohashi, President of the Corporation. Standing (l. to r.) are: E. B. Schwarzenbach, partner of Smith, Barney & Co., and Edward Townsend, V-P of First Boston Corp.

F. L. Putnam Co. Official Changes

BOSTON, Mass. — F. L. Putnam & Co. Inc., 77 Franklin Street, members of the Boston Stock Exchange, have announced that Frederic L. Putnam has been elected Chairman of the Board. John E. Sullivan, Jr. has been elected President of the company, succeeding Mr. Putnam.

John E. Sullivan, Jr.

With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Henry Hartman has become affiliated with Dempsey-Tegeler & Co., 210 West Seventh Street. He was formerly with Hayden, Stone & Co. and prior thereto conducted his own investment business.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Auto Industry — Study — Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Bank Stocks — 116th consecutive quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Bond Market in Japan, 1960 — Brochure—Securities Department, Industrial Bank of Japan, Limited, Marunouchi, Tokyo, Japan.

Canada and Canadian Provinces, Funded Debts Outstanding—Supplement to 1960 Funded Debt Book—Investment Dealers' Association of Canada 55 Yonge Street, Toronto 1, Ont., Canada.

Common Stocks — Selected list — Wood, Walker & Co., 63 Wall Street, New York 5, N. Y.

Computers—Discussion in May issue of "Investornews"—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. In the same issue are analyses of **Aircraft Companies, General Electric, Standard Oil of Indiana, Decca Records and Warner Lambert Pharmaceutical.** Also available are memoranda on **Phelps Dodge** and **Delta Airlines.**

Cyclical Stocks — Memorandum — Laidlaw & Co., 25 Broad Street, New York 4, N. Y.

Desalting the Ocean — Discussion in current issue of the "Exchange" — The Exchange Magazine, 11 Wall Street, New York 5, N. Y.—20¢ per copy, $1.50 per year. Also in the same issue are discussions of the **Shoe Industry** and data on **Standard Pressed Steel Co., American Meter Co., American Research & Development Corp.,** and **Hewlett Packard.**

Drug Industry—Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a bulletin on **Union Tank Car** and studies on **ExCell-O Corp., Greyhound Corp., Columbus & Southern Ohio Electric, Distillers Corp-Seagrams, Gulf Mobile & Ohio, Textiles, Iowa Power & Light, Long Island Lighting, Union Pacific,** and **U. S. Rubber.**

Japanese Market — Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is a report on **Mitsubishi Chemical Industries** and an analysis of 16 Japanese stocks which are ADR candidates.

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **The Daimaru, Inc.** and **Gunze Silk Manufacturing Co.**

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

Market Situation—Review in current issue of "Investors Reader"—Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **Helene Curtis Industries, Bobbie Brooks, Eurofund, Foxboro Company, Transwestern Pipelines, Baxter Laboratories, Electric Bond & Share, Continental Air Lines, United Financial Corp. of California, Raybestos-Manhattan Inc., Cotton Futures, Raymond International Corp., O. M. Scott & Sons Co., S. S. White Dental Manaufacturing Co., Elastic Stop Nut Corp., Lockheed Aircraft Corp.** and **Magnavox.**

Midwestern Electronic Companies —Report on **Magnavox, P. R. Mallory, Motorola, Square D Co.** and **Zenith Radio**—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Natural Gas Industry — Analysis —Sartorius & Co., 39 Broadway, New York 6, N. Y.

New Educational Tools — Review —A. M. Kidder & Co. Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **Hudson Pulp & Paper Corp., Illinois Power Co., Brunswick Corp.** and **Southwestern Life Insurance Co.** and a memorandum on **American National Insurance.**

Oil & Gas Interests—Information on tax shelter advantages — Admiral Oils Inc., 400 B Bettes Bldg., Oklahoma City 6, Okla.

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.

Over-The-Counter Stocks—Memorandum—Cowen & Co., 45 Wall Street, New York 5, N. Y.

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

Publishing Stocks — Analysis — Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a list of selected **Utility Common Stocks** for investment.

Textile Shares—Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Transamerica** and **Falconbridge Nickel.**

Transfer Taxes — Booklet setting forth current Federal and State stock original issue and transfer tax rates—Registrar and Transfer Company, 50 Church Street, New York 7, N. Y.

Treasury Market—Review — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

World Time Chart—Showing differences in over 100 countries as compared with New York Daylight Saving Time—also included is a map of the time zones in the U. S. — International Department, Manufacturers Trust Co., 55 Broad Street, New York 15, N. Y.

* * *

Advance Ross Electronic Corp.—Analysis—H. M. Byllesby & Co. Inc., 135 South La Salle Street, Chicago 3, Ill.

Aetna Finance — Memorandum — Schrijver & Co., 37 Wall Street, New York 5, N. Y.

Algoma Steel—Analysis — Greenshields & Co. (N.Y.) Inc., 64 Wall Street, New York 5, N. Y. Also available is an analysis of **French Petroleum Company of Canada.**

Allvac Metals Co. — Analysis — R. S. Dickson & Co. Inc., Wachovia Bank Bldg., Charlotte 2, N. C.

American National Insurance Co. — Memorandum — Dallas Union Securities Co., Adolphus Tower, Dallas 2, Texas. Also available are memoranda on **Aztec Oil & Gas Co., El Paso Electric Co.** and **Ennis Business Forms.**

American Pipe & Construction—Report—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Billups Western Petroleum Co.—Memorandum—Howard, Weil, Labouisse, Friedrichs & Co., 211 Carondelet Street, New Orleans 12, La.

Borg - Warner — Memorandum — Purcell & Co., 50 Broadway, New York 4, N. Y.

Bradley Real Estate Trust—Memorandum—Dayton Haigney & Co. Inc., 75 Federal Street, Boston 10, Mass.

Brunswick Corp.—Report—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available are data on **Diamond National, Fischbach & Moore, Philips Incandescent Lamp Works Holding Co.** and **United Steel Companies, Ltd.** and memoranda on **Delhi Taylor Oil Corp., Heileman Brewing Co.** and **Radio Corporation of America.**

Bucyrus Erie Co.—Report—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available are reports on **Walter E. Heller, Crown Cork & Seal Co.** and **General Development Corp.**

Burroughs Corp.—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Iron Fireman Manufacturing Co.** and the **Seeburg Corp.** and a suggested portfolio with emphasis on safety and income.

Canadian Superior Oil — Memorandum—Jacoby & Co. Inc., 541 South Spring Street, Los Angeles 13, Calif.

Cessna Aircraft—Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Columbia Technical Corp.—Analysis—Frank C. Masterson & Co., 74 Trinity Place, New York 6, N. Y.

Combustion Engineering—Memorandum—F. P. Ristine & Co., 15 Broad Street, New York 5, N. Y.

Compo Shoe Machinery Corp.—Analysis—Loewi & Co. Inc., 225 East Mason Street, Milwaukee 2, Wis.

Cornet Stores — Memorandum — James Anthony & Co. Inc., 37 Wall Street, New York 5, N. Y.

Corning Glass Works — Report — E. F. Hutton & Co., 7616 Girard Avenue, La Jolla, Calif. Also available is a report on **Fluor Corp.** and **Leesona.**

Crown Cork & Seal Co.—Analysis —Droulia & Co., 25 Broad Street, New York 4, N. Y.

Dan River Mills—Report—Shields & Co., 44 Wall Street, New York 5, N. Y.

Danly Machine Specialties—Memorandum — Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Detroit Gasket & Manufacturing Co. — Memorandum — Wm. C. Roney & Co., Buhl Building, Detroit 26, Mich. Also available are memoranda on **Interstate Motor Freight System, Ironrite, Inc., McLouth Steel Corp.** and **Mid West Abrasive Co.**

Dow Chemical—Report—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Dubrow Electronic Industries—Memorandum — Hess, Grant & Remington, Inc., 123 South Broad Street, Philadelphia 9, Pa.

Eastern Stainless Steel—Discussion in current "Investment Letter" — Hayden, Stone & So., 25 Broad Street, New York 4, N. Y. Also in the same issue are discussions of **Carpenter Steel, Nuclear Development Corp. of America,** and **Royal Indutsries.**

Elliott-Automation, Ltd.—Report —Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y. Also available is a report on **Standard Packaging.**

Federated Electronics Inc. — Report—O. R. Sheppard & Co., 3422 Highwood Drive, Southeast, Washington 20, D. C.

Foto Video Electronics Inc.—Report—Cortlandt Investing Corporation, 135 Broadway, New York 6, N. Y.

Frontier Refining Company—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Sunray Mid Continent Oil Co.**

General Cable—Review—Blair & Co., Incorporated, 20 Broad St., New York 5, N. Y.

General Motors—Memorandum—Peters, Writer & Christensen, 724 Seventeenth Street, Denver 2, Colo. Also available is a memorandum on **Ling Temco Electronics.**

Glas-Tite Industries — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a technical analysis of **Columbia Broadcasting System.**

W. R. Grace & Co.—Report—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

Heyden Newport Chemical—Report—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Home Insurance Company—Data —Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Canadian Pacific, Magnavox, Illinois Power, General American Oil Co. of Texas, Armco Steel, Hammermill Paper Co.** and a memorandum on **Illinois Central.**

Honeggers—Memorandum—Tabor & Co., 139 West Main Street, Decatur, Ill.

International Minerals & Chemical Corp.—Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y. Also available is a memorandum on **Polarad Electronics Corp.**

Kaiser Steel Corporation—Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is a memorandum on **Nopco Chemical Co.**

Kayser-Roth Corporation — Analytical brochure—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y. Also available is a review of the **Oil Shares.**

J. J. Little & Ives—Memorandum —Carreau & Co., 115 Broadway, New York 6, N. Y.

Loew's Theatres, Inc.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is an analysis of **Republic Corp.**

Loral Electronics — Memorandum —Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

National Cash Register Company —Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Signal Oil & Gas Company** and comparative figures on large **Electric Power & Light Companies.**

National Film Studios — Memorandum—R. Baruch & Co., 1518 K Street, N. W., Washington 5, District of Columbia.

National Presto Industries—Memorandum — Pershing & Co., 120 Broadway, New York 5, N. Y.

Obear Nester Glass — Memorandum—Edward D. Jones & Co., 300 North Fourth Street, St. Louis 2, Missouri.

Papercraft Corp.—Analysis—Hill Richards & Co., 621 South Spring Street, Los Agneles 14, Calif.

Reeves Brothers, Inc.—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, New York.

Susquehanna Corp. — Memorandum—Wm. H. Tegtmeyer & Co., 150 South La Salle Street, Chicago 3, Ill.

Temperature Engineering Corp.—Analysis — Dittmar & Company, Inc., 201 North St. Mary's Street, San Antonio 5, Texas.

Vance-Sanders & Company Inc.—Analysis—Wedbush & Company, 157 Santa Barbara Plaza, Los Angeles 8, Calif. Also available is a memorandum on **Montgomery Ward & Co.**

Vitramon Inc.—Memorandum—A. M. Lerner & Co., Inc., 15 William Street, New York 5, N. Y.

The State of TRADE and INDUSTRY

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

Bank Clearings for Week Ended April 29 Were 13.9% Over Corresponding 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 29, clearings from all cities of the United States from which it is possible to obtain weekly clearings were 13.9% above those of the corresponding week last year. Our preliminary totals stand at $30,638,903,288 against $26,888,085,249 for the same week in 1960. Our comparative summary for the leading money centers follows:

Week End. April 29—	1961 (000 Omitted)	1960 (000 Omitted)	%
New York	$16,968,421	$14,097,949	+20.2
Chicago	1,311,508	1,209,387	+ 8.5
Philadelphia	1,230,000	1,155,000	+ 6.5
Boston	907,834	851,412	+ 6.6

Steel Industry Shows Indication Of May Pickup

The strong upturn in the steel market is starting to cut into rush ordering, *The Iron Age* reports. This is one of the first indications of a "snowballing" effect of the May pickup.

Up to now, steel users are still able to place rush orders for emergency tonnage. But time is running out when consumers can demand, and get, virtually immediate delivery on most products, the magazine says.

For example, speedups in requested delivery of automotive sheet are beginning to strain deliveries of cold-rolled sheet. This may be the first break in the general buyer practice of pushing mills to the limit for fast delivery.

But buyers continue to oppose mill suggestions that rush orders may not always be filled. And they have some good arguments. Some mills that have not shared fully in the upturn in new business are promising even shorter delivery dates to get the business. But more and more frequently, emergency tonnage is being placed out-of-district when usual sources can not deliver on the spot.

Automotive steel orders for May and June have been the strong point in the current upturn. But farm implement makers, appliance manufacturers, and service centers have contributed to the 10% pickup in overall business for May.

The outlook for June is for a continued gain, but with one hedge. Although automotive production schedules look good through the first half, June orders for steel will hinge on auto sales this month. If they fail to hold up, large tonnages for June will be held up or canceled.

The market is not likely to break wide open. Improvement, while healthy, is gradual. But this week the bullish notes stand out as steelmen apparently feel their first real confidence.

Even so, the summer effects of vacations and automotive model changeovers will cut into July and possibly August. Although a quarter-by-quarter pickup is forecast, the market is still likely to level out at the June rate for some weeks, then pick up again midway through the third quarter.

But on the strength of a good May, the best shipping month of the year, the industry is showing new life.

Furthermore, automotive production schedules give them something to cheer about — providing sales back up production estimates.

Automakers are planning to average 525,000 cars a month in May and June for a second quarter of about 1.5 million. This compares with a second quarter 1960 of 1.8 million, but is a decided improvement over the 1,188,000 cars produced in the disappointing first quarter of this year.

For further comparison, April car production hit about 450,000. So the May-June schedule will amount to better than a 17% increase in auto production this month.

The poor earnings of the first quarter again focus attention on prices and the industry is sweating out a price squeeze. But, at the same time, most industry leaders concede that prices can not be increased under current market conditions.

May Steel Output and Shipments To Be 10% Above April's

May steel production and shipments will be 10% above last month's, *Steel* magazine predicted.

Three market developments make the outlook for May bright.

(1) The seasonal upswing in consumption that started several weeks ago will accelerate demand for products used in construction, canning, road building, farm equipment, air conditioning, railroad track maintenance, and pipelines.

(2) Automakers will step up their output in response to improving sales and shrinking dealer inventories.

(3) Buying will match consumption as users stop trimming inventories.

Look for ingot output this week to exceed the 1,810,000 tons that *Steel* estimates the industry poured in the week ended April 29. Last week's output was the highest in 11½ months. Production has gained for seven straight weeks.

It's a safe bet that operations will not fall below this level in a nonholiday week before June 30, 1962,, when the industry-USW labor contract expires.

Steel said the market picture shows that many industries are buying; all products are gaining; and quick shipments are wanted.

Although seasonal factors and automotive demand are mainly responsible for the market's stronger tone, there's more to the story. Makers of household appliances, farm machinery, and electrical equipment are stepping up production.

Demand is accelerating fastest in tin plate, sheets, galvanized items, reinforcing bars, and standard pipe. Plates, structurals, and

Continued on page 27

U.S. Industries, Incorporated

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

An interesting and diversified company moving aggressively forward in the fields of automation and teaching machines.

In seven years' time the corporate image of U. S. Industries, Inc. has undergone dramatic changes — in name, in product mix, and in potential. As Pressed Steel Car, this enterprise ranked as the fifth largest builder of railway freight cars. That was before 1954. In that year manufacture of freight cars was abandoned, and the company, under its new name, launched a program of diversification and revitalization calculated to broaden the base of earning power, reduce the cyclical nature of corporate operations, and set the stage for profitable expansion into new fields. Although progress along these lines to date has been a little uneven, the prospects of U. S. Industries have, within the past year, assumed a much brighter hue. Whereas a loss of 10 cents a share was reported for 1960, this year will show a substantial profit.

A brief review of the product line of USI should prove of benefit in appraising the company and in noting the areas of activity offering the greatest promise for expanded profitability in the future. When railway car building was discontinued, USI acquired in 1954, Clearing Machine Corp. This division delivered, in 1960, about 45% of the $87.7 million sales volume, and is a major producer of mechanical and hydraulic presses, metal forming machines and lathes. The machine tool business was hard hit in the 1958-1959 recession, but by the Fall of 1960, Clearing Machine division got back on a profitable basis, thanks to a sharp pick-up in orders, an incisive program of cost reduction and the departure of a major competitor from the field.

Through Southern Pipe, the company produces water and petroleum pipings, coatings and casings, and this section, too, is showing substantial current improvement. Through Axelson-Garrett, USI supplies the petroleum industry with a broad line of oil production equipment—pumps, valves and drilling gear, etc. Although oil drilling operations have been at a lower rate in the past two years, Axelson-Garrett has managed to operate steadily in the black, and is expected to make an expanded contribution to net this year.

Other company divisions producing standard equipment lines include Solar Permanent which manufactures milk storage tanks, dairy automation equipment and stainless steel cookware.

There are also substantial foreign operations conducted through the International Division which sells company and other products through overseas offices and agents; merchandising subsidiaries which distribute machinery in the Philippines, Puerto Rico and Venezuela; and licensed foreign manufacturing for certain USI products.

Teaching Machines

There are two other divisions of corporate activity to which we want to devote a little more time, since these not only provide considerable romance and glamor, but they open up interesting new vistas for major expansion in profitability. The first is Western Design and Electronics Division located at Santa Barbara, Cal. This division is a pioneer in programmed teaching — an exciting new technology that may revolutionize current educational methods. Western Design assembled a gifted team of educators, writers, and engineers, and worked out a teaching technique which breaks down text materials into segments quickly absorbed by students, and combined this with a system for correction of errors and recording of progress.

The actual equipment of the USI teaching machine is an electronic device, something like a microfilm projector that presents on a screen, a series of "frames" to the student. These frames present information and ask selective choice questions. The student may press a button to indicate his answer. If he's right, the machine proceeds to another frame (by pressing a button). If he's wrong, a frame will immediately come to view that explains his error, and outlines the correct answer. Then the machine proceeds to unfold further knowledge, and asks further questions. The principle can also be used in book form, whereby instead of pushing a button for a new microfilm frame, the answer may be on a different book page. This is called the "scrambled" book method.

While this mechanical and electronic teaching method seems simple, the real educational work is done in the programming. This planning for a single term course in a subject, such as English or algebra, may take a team of teachers or professors several months and cost $20,000 or more.

Western Design Electronics has developed two models of teaching machines which it calls "Autotutors." One sells at around $900, the other around $5,000. These machines have been successfully used and tested by the Air Force; Prudential Insurance has used the lower priced model for training insurance salesmen; and over 50 educational institutions are evaluating or testing these machines.

Further, working with the publisher, Doubleday, USI has placed on the market a whole series of "Tutotexts," which swiftly teach bridge, algebra, arithmetic or electronics.

USI has a leading position in these teaching machines. The potential market could be enormous. In addition, Western Design produces electronic check-out systems for our missile program, including units for Atlas, Hound Dog, and Minuteman missiles.

Automation and Training Devices

Through Robodyne division, USI has developed and produced a family of devices which accelerate and facilitate employee training, and provide automated assembly lines for industry. The "TranseRobots" are universal assembly and handling machines which can replace unskilled workers and are so versatile that they can be swiftly adapted to a broad range of different assembly line processes. Another proprietary machine, the "Digiflex," is a training device for instruction in keyboard operation. Already in use for training postal workers, it may be adapted to training in many manual keyboard skills such as typing or comptometry. Management believes that Robodyne division can gross above $25 million within a very few years.

All this adds up to an interesting picture. Here's a company that has completely digressed from its original corporate direction. Dependence on the more cyclical lines—machines, tools, piping and petroleum equipment — is being lessened due to entry into the rapidly growing teaching machine and automation technologies.

Uptrend in Earnings

Recent progress at the cash register has been noteworthy. USI lost $1.7 million in 1959, and $245,000 in 1960. The last quarter of 1960, however, marked the turning of a corner and the company netted $600,000 in that period. For 1961, earnings of perhaps $1 a share have been estimated on the 2,471,527 common shares listed on N. Y. S. E. and now selling around 13¼. No dividends have been paid since April, 1958, and there is no immediate prospect of resumption due to business needs and certain borrowing restrictions. There is also a $2.25 preferred stock selling around 38 to yield 5.8% and two issues of convertible debentures. The 4½s of 1970 are convertible at $13.935 per share and the 5½s are convertible into common at $16.393. These trade over-the-counter.

For those speculatively minded, the turnabout in earnings, the expanding international business (estimated at $24 million for 1961) the romance of industrial and educational automation, and the rising trends in sales and profits suggest that USI common or the "converts" may present worthwhile possibilities for a long-term gain.

Some Background Facts on Biggest Railroad Merger

By Roger W. Babson

Facts for Northern Pacific stockholders to weigh with regard to the planned merger with the Great Northern-Burlington Railroad are made by Mr. Babson. No recommendation is made, but the financial writer does report that he believes large stockholders will sell and switch into Union Pacific stock.

The biggest headache of any corporation official in the United States will be suffered, not by General Electric officials, or even those of the A. T. & T., but by the man who must operate a Northern Pacific-Great Northern-Burlington Railroad merger.

Attitude of Northern Pacific Stockholders

First, this man may sometime have the ill will of the former Northern Pacific stockholders who may feel they could have done better. I will not brag of the railway traffic of the Northern Pacific. Like most railroads, the passenger business is a big loss; but even the freight is declining. But the Northern Pacific has very valuable mineral, oil, gas, and other properties with great potential wealth. The only real hedge against inflation is land, of which the Northern Pacific has some of the most valuable.

Second, let me refer to the size of the planned merged railroad. I roughly figure that this will have the greatest mileage of any railroad in the United States. A ~~large part of this~~ mileage should never have been built. Yet with millions of bonds outstanding on these rails, it will be very difficult to get the necessary agreements by bondholders to dismantle a major part of a railroad and liquidate the rails, bridges, and rights-of-way. A legal merger is simple, but a division of the "spoils" is exceedingly complicated.

Labor and Small Towns

The only way to prevent such a great merged railroad system from going into bankruptcy is to dismantle at least one-third of the mileage, and reduce the number of employees proportionately. This thought causes great consternation among the labor unions. They will not only fight for their own jobs; but will feel in doing so they are fighting a battle for every railroad in the country which is now talking merger. But the expected discharge of railway workers likewise angers the thousands of little towns along the lines which should be abandoned. These towns and way stations think their life depends on having a railroad station, especially for freight. To a certain extent every railroad merger will have these handicaps.

As the abandonment of a railroad's main line or branch lines usually means that the roadbed will revert to the county, state, or Federal Government, the newly merged lines will continue to operate such portions of the Northern Pacific as have the mineral rights. This creates another paradox. Handling of the freight by trucks would ordinarily be the answer; but trucks would not enable the Northern Pacific to hold ownership of all its valuable mineral and oil assets.

What Northern Pacific Stockholders May Do

Such a merger awakens a sentimental recollection in my life which should be a lesson to all investors. An uncle of mine was once the operating Vice-President of the Northern Pacific, with his home in St. Paul. Once when I was going to St. Paul to visit the family of my late wife—Grace K. Babson — my father, Nathaniel Babson of Gloucester, Mass., asked me to call upon my "Uncle John" and ask his opinion as to the value of Northern Pacific securities. My uncle replied: "Tell Cousin Nat that the Northern Pacific bonds are good; that the preferred stocks will probably work out fairly satisfactorily; but that the common stock today is not worth the paper upon which the certificates are printed." *Yet within two years this common stock sold for $1,000 per share!*

With this personal experience it is difficult for me to advise a present holder of Northern Pacific what to do. I think, however, that a good many Northern Pacific holders will sell their stock and switch into the stock of Union Pacific. The latter sells at about 32 and pays $1.60 dividend per year. Union Pacific is both rich in management and has great mineral, oil, gas, and other hidden assets. It is the shortest line between Chicago and the Pacific Coast and has the least mileage to maintain when making the trip, largely on double track. I do not recommend any railroad or other stocks in this column; but I can report what I think large stockholders are doing.

Cairns & Campbell Formed

GLENDORA, Calif.—Gladstone J. Cairns is conducting a securities business from offices at 728 North Live Oake Avenue under the firm name of Cairns and Campbell.

New Trading Hrs. For NYSD Ass'n.

Member firms of the New York Security Dealers Association have, effective May 1, agreed to cease daily trading at 4 p.m., EDT, according to an announcement by Samuel Weinberg, President of the association.

The action was taken to facilitate the handling of the current heavy volume of business and to lessen the resultant tension on NSDA personnel, Mr. Weinberg said.

Second Thoughts Held on British Budget Economics

By Paul Einzig

Dr. Einzig changes his mind about the newly proposed British surcharges on consumers' indirect taxes and on employers' payrolls. In last week's column, Dr. Einzig had thought that this price-stabilization measure would merely reinforce traditional monetary credit and bank rate controls. He has subsequently learned that this innovation would be substituted for traditional monetary weapons. That this could hardly work is Dr. Einzig's conclusion.

London, England—On closer examination, Mr. Selwyn Lloyd's revolutionary innovation, announced in his budget speech, to try to run the business cycle with the aid of fluctuating surcharges on indirect taxes and payrolls, does not appear to be as satisfactory a device as it seemed to be at first sight. Admittedly, my change of opinion was largely the result of the admission made during the course of the Budget Debate by Sir Edward Boyle, Financial Secretary to the Treasury, that it is the government's intention to employ the new device largely as a substitute for bank rate and credit squeeze. If the device were intended merely as a reinforcement of conventional monetary weapons its short-comings would be of relatively small importance. Since, however, it is the government's declared policy to rely very largely, if not entirely, on the new device, its defects are liable to produce grave consequences. They deserve, therefore, the utmost attention.

Foremost among these defects is the likelihood, amounting to almost a certainty, that in prevailing conditions the imposition of surcharges will tend to cause a rise in prices. This obvious fact does not seem to be realized by the government and its economic advisers. Indeed, the whole device is based on the false assumption that an increase in the prices of the goods and services affected by the surcharge will simply mop up a corresponding amount of purchasing power. Those responsible for the measure seriously believe that since a rise in the price of tobacco, drinks etc., leaves less money at the disposal of the consumer, it should result in an all-round fall in prices. They also believe that the surcharge on the employers' contribution to National Insurance will lead to a corresponding reduction in dividends thereby curtailing the spendings by holders of equities.

The above assumptions would doubtless be substantially correct amidst conditions of deflation and possibly even in conditions of stability. But then amidst such conditions the government would not think of applying surcharges. They would only be applied amidst inflationary conditions. Yet amidst such conditions increases of surcharges would result in rises in prices and in wages. It would be easy for the trade unions to enforce additional wage increases on the ground of the rise in the cost of living, and firms would raise their prices rather than reduce their dividends to make up for the payroll surcharge.

Criticizes British Static Theory

The reason why this obvious truth has been overlooked by the government lies in the acceptance of a theory adopted some years ago by the Treasury and sarcastically referred to by the opposition as "Boyle's Law" because it was Sir Edward Boyle who first voiced it in public. That it was not his personal theory has since become evident from a public pronouncement by Sir Robert Hall, until recently the government's Chief Economic Adviser, who in the course of his Presidential Address to the Royal Economic Society in 1959 endorsed the idea that "the best way to cure inflation may sometimes be to raise prices." (Reprinted in the *Economic Journal*, December 1959, p. 1641).

This manner of thinking indicates that official opinion in Britain is still very largely based on static economic theory under which consumer purchasing power is looked upon as something definite so that it is assumed that an increase in a group of prices is bound to curtail the volume of demand. It is reminiscent of the 19th Century "wages fund" theory under which the amount of money available for wages is a determined quantity so that any increase granted to a group of wage earners necessarily means that less is available for the rest of wage earners. Apparently the government has yet to realize the essentially dynamism of price increase in existing conditions.

The same static conception emerges also from Mr. Selwyn Lloyd's claim that thanks to the anticipated increase in the yield of taxation the budget and the economy will be balanced during 1961-62. He does not appear to have allowed for the fact that the higher yield of taxation is the result of an inflationary expansion of incomes Under a static conception it is sufficient if the figures equate each other. Static theory is not concerned by the way in which such arithmetical equilibrium is reached. Yet it makes all the difference in practice whether supply and demand are balanced following on an increase on the supply side or on the demand side. If the initiative is on the demand side equilibrium is reached as a result of a rise in prices.

The government is mistaken, therefore, to assume that merely because inflation of wages and profits will result in a higher yield of taxation the balancing of the budget would mop up that inflation. After all, even under the British system of high taxation considerably less than half of the additional incomes is mopped up in taxation. Moreover, under the British equalitarian system of taxation the proportion of purchasing power of the lower income groups that is mopped up in taxation is relatively low. So the increase of taxation revenue will only mop up a fraction of the increase in consumer spending power.

Alexisson V.-P. Of Walston Co.

Walston & Co. Inc., 74 Wall Street, New York City members of the New York Stock Exchange, has announced that Gustave A. Alexisson has joined the investment firm as Vice-President in charge of syndicate, underwriting and institutional sales.

Gustave A. Alexisson

Previously, Mr. Alexisson was a partner in Granbery, Marache & Co. from 1948, and prior thereto he was with Hornblower & Weeks and Kidder, Peabody & Co. where he headed up most of the departments of these firms at various times. With Kidder, Peabody & Co. he was head of the syndicate, underwriting and institutional departments, and was joint manager of the uptown office.

Mr. Alexisson is Vice-Chairman of the National Association of Securities Dealers, Inc. in New York, and is a member of the Bond Club of New York, the Stock Exchange Luncheon Club, and a former governor of the Investment Bankers Association of America, of which he had been chairman of the Legislation Committee of the New York District.

Phila. Secs. Ass'n. To Hold Outing

PHILADELPHIA, Pa.—Gordon L. Keen, of R. W. Pressprich & Co., President of the Philadelphia Securities Association, announced that the annual outing of the association will be held on Friday, June 2, at the Aronomink Golf Club, St. Davids Road, Newtown Square, Pa.

The day's activities will include golf, tennis and a special event to be held in the late afternoon.

Rubin Hardy of The First Boston Corporation is in charge of a special feature and Frederick T. J. Clement of Drexel & Co. is Chairman of the arrangements and outing committee.

S. Schramm in Larger Quarters

S. Schramm & Company, Inc. have announced the removal of their offices to larger quarters at 80 Pine Street, New York, N. Y.

Halle & Stieglitz to Admit

On May 4, Hattie G. Strasser will become a limited partner in Halle & Stieglitz, 52 Wall Street, New York City, members of the New York Stock Exchange.

A New Public Policy Toward Bank Expansion

By Morris A. Schapiro,* *President, M. A. Schapiro & Co., Inc., New York City*

Reply to current criticism of bank mergers stresses searching inquiry by Congress and New York leading to passage of laws saying "yes" to bank expansion. The investment banker rebuts: (1) Senator Estes Kefauver's arguments voiced before the Independent Bankers Association's Annual Convention of last April 22nd; (2) reviews status of latest banking merger moves, and (3) anticipates that the Justice Department, which was relegated to an advisor's role in 1960, the regulatory agencies involved, and the banking industry will clarify and overcome their current differences as to the public policy toward bank mergers and holding companies. Allowing banks to grow, Mr. Schapiro opines, means they will be able to compete successfully for additional capital and, thus, should no longer be worth more dead than alive.

In discussing bank mergers and the actions of the Justice Department, we cannot avoid reference to anti-trust laws and to certain banking statutes. I am not a lawyer, and I do not pretend to be an expert on the position of the Justice Department in moving against bank mergers and holding companies. On the other hand, as an investment analyst, I cannot escape forming opinions on how these events will affect the future investment status of commercial bank shares. I am particularly concerned about the growth aspect of commercial banks, which seems to be at the core of the current furor involving the Justice Department vs. bank mergers and holding companies.

Morris A. Schapiro

The present hubbub over bank mergers should be viewed as part of a changing scene that has been passing before us for many years. The growth of branch banking, the impetus behind mergers, has been going on for a long time, and I suspect it will continue for a long time to come. Bearing upon this, let me quote a statement made 53 years ago by a famous Democrat:

"The banks of this country are remote from the people and the people regard them as not belonging to them but as belonging to some power hostile to them.

"If a system of branch banks very simply and inexpensively managed . . . could be established which would put the resources of the rich banks of the country at the disposal of whole countrysides to whose merchants and farmers only a restricted and local credit is now open, the attitude of plain men everywhere towards the banks and banking would be changed utterly within less than a generation."

This advice was given by Woodrow Wilson before the 1908 Annual Convention of the American Bankers Association in Denver. The delegates to that convention had just survived the money panic of 1907 that led directly to the establishment in 1914 of the Federal Reserve System with its 12 District Banks and 24 branches spread across the country. But this advice has not been accepted by the majority of American bankers.

Contrary to the stand of the Independent Bankers Association, branching is not a form of evil; it has become basic to modern banking. I can think of no single development in the recent history of American banking that has done so much to stimulate new methods, services and efficiencies, benefit the public and stockholders, attract vigorous and inventive management, and investment capital—as the physical expansion of bank facilities. Stockholders of commercial banks need never feel apologetic about the merger trend in banking nor about the merger value of the bank shares they hold.

Answers Kefauver

I had not intended to get into the controversy over bank mergers, but I just could not resist after reading in April 23 Sunday's New York *Times* an account of the speech by Senator Estes Kefauver, Chairman of the Senate Anti-trust and Monopoly subcommittee given before the Independent Bankers Association at its convention in Washington.

According to the *Times*, Mr. Kefauver criticized the Federal regulatory agencies and suggested drastic revision of anti-trust or other laws to check what he called a trend toward monopolistic control of the banking industry. I do not propose to comment on the Senator's philosophy of our anti-trust laws, but I do think we must always keep our facts and history clearly before us.

The Senator noted that the number of banks in the country shrank from 30,000 in 1921 to 13,472 at the end of last year. From the New York *Times* article I could only conclude that this was intended to suggest that mergers accounted for most of this reduction in the number of banks.

The facts behind the two figures cited by Senator Kefauver are these: During the prosperous Nineteen Twenties the country was so over-banked, and because of this the banking system so brittle, that bank suspensions averaged 600 per year. When the depression hit, 9,000 banks were forced to suspend operations during the four-year period between 1930 and the end of 1933. Thus, from the beginning of 1921 to the end of 1933, the total reduction in the number of banks in the United States was 14,854, a decline of 51%. Since 1933, to the end of last year, there has been a net reduction of only 800 or 6%.

Mr. Kefauver further stated that "the 100 largest banks now control 47.4% of all commercial bank deposits." But he apparently did not say that this figure is virtually unchanged from 15 years ago and actually down from 56% in 1940, despite the merger trend.

Mr. Kefauver was also reported to have said that "hundreds of small, rural American communities have become bankless towns." By implication that seems also to be blamed on mergers. The fact is that the total number of banking offices, including those of mutual savings banks, serving the public totaled 24,242 at the end of 1959, a gain since 1934 of 5,123 offices, or 27%.

It is more than likely that small rural communities are bankless because they are too small to support a unit bank, and frequently state laws prevent larger neighboring banks from establishing branches which could serve the people of those communities.

Senator Kefauver was reported to have said further that, since 1950 more than 1,600 banks have vanished by way of merger and consolidation. Actually, from 1950 through 1959, 763 new banks were established and, after accounting for liquidations, suspensions, and other changes, the net reduction in the total number of banks from 1950 to the end of 1959 was 719. At this rate of decline, it would take 100 years to bring about the reduction of 7,000 in the total number of banks, matching the 50% decline that occurred in the decade of the Nineteen Twenties, and this would still leave us with 7,000 banks in the year 2061.

Although much good has come from branching and merging, they have brought criticism from outside the industry and caused bitterness and bickering among bankers. While this is unfortunate, it is not surprising. We have in the United States more than 13,000 commercial banks. Some of these are subsidiaries of holding companies. There are small banks and big banks, branch banks and unit banks, national and state banks, and all are supervised and regulated by a multiplicity of state and Federal statutes that often mean different things in different states and different things to different people. With such a jumble of regulations, it was inevitable that the recent growth and expansion of banks would run into trying times.

Girard Trust-Philadelphia National Merger

Two months ago, on Friday, Feb. 24, I remember the day well, we heard the news that the merger of Girard Trust Corn Exchange Bank into The Philadelphia National Bank had been approved by the Comptroller of the Currency. The next step was approval by shareholders. The resulting institution would become the largest commercial bank in Philadelphia, but, in all other respects, this was a normal merger similar to the hundreds of others that have taken place during the expansive postwar years.

On the following day, however, Saturday, Feb. 25, attorneys for the Justice Department filed a complaint in the United States District Court in Philadelphia to prevent consummation of the merger, charging violation of Section 1 of the Sherman Act and Section 7 of the Clayton Act.

Since than a rapid succession of events has taken place:

On March 1 the Justice Department moved against a merger in Lexington, Ky., that had already been approved by the Comptroller of the Currency and actually consummated. It also filed suit against a Milwaukee bank holding company to force it to divest two banks, the acquisition of which had been previously approved by the Federal Reserve Board under the 1956 Federal Bank Holding Company Act.

Subsequently, the Federal Reserve Board denied applications of the Marine Midland Corporation in New York and the Bank-Ohio Corporation in Ohio through which each sought to acquire an additional subsidiary bank.

In New York State the Banking Board denied permission to Bankers Trust and County Trust to form a bank holding company which would have been the first under New York's new bank holding company law. And in Boston the Federal Reserve Board approved the merger of the Rockland-Atlas National Bank into State Street Trust Company over the objections of the Justice Department, which, however, did not sue under the anti-trust laws, at least it has not yet.

Amid the newly awakened clamor over bank expansion, Congressman Wright Patman, a consistent critic of bank expansion, announced he would ask Congress to declare a two-year moratorium on all bank mergers and acquisitions. Meanwhile, the Comptroller of the Currency, Ray N. Gidney, agreed to postpone approval of any merger over which he had primary jurisdiction where the Justice Department threatened to sue. While this move places virtually all national bank mergers in a temporary deep freeze, it also minimizes the number of Justice Department law suits until the action now pending in Philadelphia establishes its jurisdiction under the anti-trust laws.

A prominent lawyer with whom I am acquainted observed that these events have "induced a certain pessimism among some lawyers in New York working on bank mergers or bank holding company organizations as to the time required to bring such transactions to fruition."

I know some stockholders who might consider this an understatement. You will note, however, that he did not say that they would never be brought to fruition.

Congress Had Said Yes

Largely overlooked in the current merger impasse is the fundamental fact that Congress, in enacting the Federal Bank Holding Company Act of 1956 and the Bank Merger Act of 1960, said *yes* to bank expansion. Furthermore, the New York State Legislature, with the enactment of the Omnibus Banking Act of 1960, also said *yes* to bank expansion. These measures were decisive, representing years of study, and will undoubtedly be followed elsewhere at state levels.

Let us look closer at these decisions by the lawmakers.

In 1938 President Roosevelt asked Senator Wagner for legislation to abolish bank holding companies. For 18 years, during which Congress debated the purpose and form of bank holding company legislation, no new holding companies were created because of the uncertainties over the legislation to be enacted. Would holding companies be permitted to live? If they lived, would they be allowed to grow and prosper with the rest of the banking industry? Could new holding companies be established under the provisions of the new legislation? All these questions were being asked as Congress pounded out the Bank Holding Company Act.

In 1956 after volumes of testimony had been gathered from many hearings, Congress finally decided upon regulation — not abolition. The ground rules for the establishment, operation and growth of bank holding companies were laid down by Congress. In giving the Federal Reserve Board the task of administering the new law, Congress instructed the Board to give careful consideration to the size of holding companies and the preservation of competition in banking. Interpreting these directives, the Board in 1958 turned down the application of The First National City Bank to form a holding company.

Moreover, the new law did not preclude the Justice Department

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Why Gold-Backed Treasury Bonds Should Be Issued

By Constantine E. McGuire, *Consultant, Washington, D. C.*

Dr. McGuire, whose experience in finance goes back to Treasury work with Secretary McAdoo and with Messrs. John Bassett Moore and Paul M. Warburg, offers a carefully brought out proposal for United States long-term gold clause bonds. They would have maturities ranging from 37 to 57 years, contain an irrevocable gold clause with mint value specified, not be callable for 25 years, and provide for earmarking of gold for these bonds. The writer answers objections apt to be raised and outlines the advantages of this proposal. He sees such bonds attracting foreign earmarked gold; points out the urgent need to consolidate Federal debt at low interest rates; avers it would assist countries to tide themselves over short-term capital flow difficulties; and scores current proposals to internationalize our monetary reserves.

For several years, an effort has been made to interest various members of the Senate in a gradual return to currency convertibility through the issue of long-term obligations payable *at maturity in gold coin* of the weight and fineness established by law at the time of issue. There follows, in precisely the language in which it was submitted, the suggestion called to the attention of various members of both houses of Congress, the Secretary of the Treasury, and the Reserve Board:

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"It is suggested that the Congress of the United States authorize the issue of long-term bonds, the distinguishing characteristic of which would be the promise to pay to the holder on the date of maturity, or, if called prior to maturity, on the date of payment, gold coin of the United States of the weight and fineness by law established on the date of issue.

"It is further suggested that the bonds be described as United States Gold Bonds; that the maturities range from 37 to 57 years; that the bonds be not callable sooner than 25 years prior to their respective maturities; and that their interest rates commence at 3%, increase to 3⅛% for those maturing after 37 years and up to 39 years, and thereafter by one-eighth of one percent during each subsequent period of two years, so that the final maturity of 57 years from the date of issue should carry the rate of 4¼%.

"It is suggested that any outstanding interest-bearing obligations of the United States regardless of date of maturity, be accepted at par in payment for United States Gold Bonds, provided, however, that the decision of the Secretary of the Treasury as to the maturity of the Gold Bonds issued in each such case be final.

"It is pointed out that the enabling legislation would need to amend the Joint Resolution of 1933 invalidating the Gold Clause, insofar as obligations of the United States were concerned, and such of the legislation of 1933, 1934 and 1935, as prohibited, or may still prohibit, the ownership of gold coin by individual citizens, whether natural or corporate, of the United States.

"It is further suggested that the Secretary of the Treasury be authorized and directed to have converted into gold coin of established weight and fineness, from time to time, appropriate proportions of the gold reserve of the United States, over and above the minimum statutory reserves established by the Federal Reserve Act; and that the earmarking of those portions of the gold reserve for such coinage take priority over all international or other transactions.

"It is believed that these United States Gold Bonds would encourage the individual ownership of long-term government securities on a very great scale; that they would become the basic securities in the portfolios of financial institutions of all categories, at home and abroad, including central banks, commercial banks, savings banks, investment trusts, and insurance companies; that the flow of foreign funds into these obligations would diminish, or wholly offset, the flow of gold and of dollar capital abroad, either by way of repatriated capital moving out of this country or by way of large scale investment abroad on the part of business enterprises of the United States.

"It is further believed that an effective barrier would be created in the way of accelerating increases of interest-rates, price-levels and the like; and that the recurrent speculation as to some future devaluation of the dollar would be decisively disavowed."

If the suggestion had been referred to the legislative drafting service, for study of the legislative changes which it would require, further and more detailed memoranda would have been furnished to deal with the more obvious objections to this course. One objection was, of course, paramount — namely the availability of a supply of gold sufficient to redeem the successive maturities.

Availability of Adequate Gold Supply

The availability of an ample supply of gold depends upon the profitability of the operation of mining gold. If commodity prices and wage levels remain reasonably stable for a few years, those engaged in gold mining enterprises will be able and disposed to increase their production. Enough gold would come upon the market to enable satisfactory Treasury reserves to be built up in the years before first maturities. In 1960, the South African gold mining industry alone increased its production by over a million ounces, to a record total of over 21,350,000 ounces; and this in spite of some political unrest, and certain unfavorable economic factors. The gold production of the non-Communist world is likely to remain above one billion dollars (at $35 per ounce) each year over the measurable future. In recent centuries, whenever the operation of searching for gold and extracting it was relatively free from harassing controls, taxation or confiscation, the demand for it in due course, with but a moderate and reasonable lag, was always matched by the supply. As soon as prices become stable and predictable, even those who have to contend with ceiling prices manage to increase production. When things which mining companies and their employees must buy remain firmly stable in price, the companies find it worth while to exploit their better mines, rather than chiefly those whose costs of production are such as to warrant subsidy or analogous assistance.

The suggestion that 12 years elapse between the beginning of the period of conversion into gold bonds and the *earliest possible* date of payment affords enough time to assemble earmarked gold reserves to redeem the first gold clause bonds to be called; and since what is contemplated is a 37-year maturity, with no call earlier than 25 years prior to maturity, there would be no pressing reason to call them at the earliest permissible date. The promulgation of a gold-clause conversion plan would help to stabilize prices, because such a policy would obviously imply the eventual convertibility of our currency, the arresting of the growth of our public debt and the eventual restoration of approximate budgetary equilibrium. The effect upon inflationary trends would be decisive.

Devaluation

Another objection likely to be raised is that of closing the door definitively upon another devaluation, or alteration of the representative value of the currency. The writer believes that the United States should never again, in any circumstances, resort to devaluation. The enabling legislation would have to stipulate clearly that what would be paid out at maturity would be gold of the weight and fineness established by law on the date of issue of the bonds; and each bond should explicitly recite exactly what was the weight and fineness at the date of its issue. If some circumstances were to cause a subsequent alteration of the representative value of the dollar, the Government would be bound at the time of payment to the weight and fineness stipulated in the bond, even though the dollar *then* represented less gold; it is not necessary to point out that these bonds would very greatly appreciate in price, in such circumstances, and the eventual scrupulous compliance with its promise by the Government would immeasurably strengthen its credit (which perhaps would not be too strong after *another* devaluation). Various governments have managed in the last 100 years to honor gold clause agreements punctually. In a word, this proposal does not even shut the door upon another devaluation, regrettable though such an act would be; but it provides a means to bolster the credit of the Government through any such perilous operation.

Interest would be paid in legal tender, but no ambiguity would be permissible as to the payment in gold of the principal amount, on the date of maturity or of call, if the holder so desired.

It is conceivable that the issue of discrimination might be raised if Congress were to authorize the issue of gold-clause obligations of the Federal Government, without at the same time permitting other public borrowers, such as the states and municipalities, to do the same, and without terminating the suspension of the effect of the gold clause in existing private obligations or permitting the inclusion of such a clause in private obligations issued in the future. For so long as the interest payable upon obligations of the states and other public borrowers will remain exempt from Federal taxation, these borrowers have enough advantage not to be concerned with the right to incorporate the gold clause in their offerings; and the issue could be expected reasonably to work itself out when the convertibility of the national currency had been restored, as it would, of course, automatically be restored on the day when the first of the gold-clause bonds were due to mature, if it had not already been restored. On the other hand, the states and municipalities would derive substantial advantage from the additional elbow room they would have for their borrowing operations when once the Federal Government had completed its conversion, and would thereafter have less occasion to recur to the money market for some years.

Re 1935 Supreme Court Gold Decision

So far as private obligations are concerned, it is necessary to bear in mind what the Supreme Court did in its decisions of Feb. 18, 1935, in the group of cases involving the constitutionality of public resolution 10 of June 5, 1933. It may help to refresh the reader's recollection of the action of the Court to cite the comment which the writer of these lines circulated 10 days after the decisions were handed down.

"The position of the gold clause in obligations of the Federal Government is left uncertain by the

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The Outlook for Electric Utility Common Stocks

By Jerome C. Hunsaker, Jr.,* Vice President, Colonial Management Associates, Inc., Boston, Mass.

Appraisal from an institutional investor's point of view anticipates continuation of the current level of electric utility price-earnings ratios. Mr. Hunsaker ventures to opine that electric utility new issues will continue at a low level in the next 2 years, the rate of increase in earnings should improve, and demand will continue to mount—particularly from pension funds. As a passing observation he adds that he would like to see more in utility top management participating in stock ownership, and a change to annual dividend increases instead of existing policy of waiting every 2 or 3 years.

To start on this problem, let's first remind ourselves where electric utility common stocks are selling in the market place and how this compares with the past and with other securities. The average of electric utility stocks is currently selling at 21.2 times latest 12 months' earnings and provides a 3½% yield. This compares with a price-earnings ratio of 17.6 times and a yield of over 4% a year ago, and 14.2 times and a 4.4% yield five years ago. The Dow-Jones Industrial Average may not be a perfect index, but it is certainly widely used and well-known. It is currently selling also at 21 times earnings and the yield is just over 3%. The figures a year ago for the Dow-Jones Industrial Average were 18 times earnings, and five years ago 14.5 times. We all know the current stock market is conspicuous for the high price-earnings ratio and low yield offered by growth stocks; while solid companies with very moderate growth prospects are selling at under a 5% yield basis and perhaps around 12 times earnings. These figures clearly indicate that the utilities are higher than they were but when compared to other stocks, the story may be different.

J. C. Hunsaker, Jr.

Now why have electric utility shares done so well in price? One of the reasons is that in this competitive age it has become more and more difficult to find dependable growth in earnings. The electric utility industry measures up on the growth test. The record indicates a 7% annual compounded growth in volume is the experience of the industry. This means an approximate double in the size of the business each 10 years. The financing of this grawth has been arranged so that the growth in volume has been carried down to a growth in per share earnings of approximately 5% and a parallel growth in dividend payments. Naturally the results for common stock investors have been good.

Attractive Fundamentals

Let's remind ourselves of some of the fundamentals of the utility business:

(1) The product is a consumer and industrial necessity with an inelastic demand.

(2) Electricity is a consumer expendable, the demand for which cannot be postponed.

(3) There is little competition with other products and no foreign competition.

(4) Labor costs are low in relation to sales and labor peace and harmony is the rule rather than the exception.

(5) Growth in electric energy reflects the compounding of population growth and increasing use per customer. The rising trend in usage per customer is explained by continued mechanization of industry, commerce and the home.

(6) Rate regulation is performed by the states, not the Federal Government and has been, by and large, reasonable.

We see no change in these attractive fundamentals and expect the industry to continue in its past pattern.

I would like to present a few figures as to just how investors have fared in electric utility shares, particularly in the recent past. Moody's Electric Utility Average, Jan. 1, 1958, was 50.30 and is now 85.37, an increase of 70%. During this same period the Dow-Jones Industrial Average increased 250 points from 440 to 690, or 55%. Averages always have the infirmity of being unreal. Nobody owns an average. Also they bring up problems as to whether one just averages per share figures or weights the figures for size of company. I thought it would be helpful, therefore, to use the real experience of an institutional investor.

A Particular Experience

The Colonial Fund has always had an important position in the utility business and over the years this segment of the portfolio has done very well for us. The actual experience of the Fund for the same period from the beginning of 1958 to date was that its utilities showed an 86% increase in value and that 7 of our 14 electric utility holdings increased their dividends in each of these three years, 2 increased their dividend two of the three years, and none failed to increase their dividends at least once during the three years. The particular list of electric utilities held by The Colonial Fund represents a compromise between those companies with an outstanding growth record and accompanying high price and low yield and the companies which pay higher dividends. A list of just what we might nick-name the super growth utilities would have shown even better capital appreciation but at the expense of current income.

There are, in my opinion, a number of factors that help explain the increase in the price-earnings ratios assigned to utility shares. The most important, I believe, is a change in investor thinking. He no longer seems to view electric utility shares as primarily a defensive investment offering satisfactory income, but now also recognizes the excellent growth record of the industry.

Sees Earnings Per Share Growing

The important question, of course, is—What is going to happen next? To get a prospective on this, let us examine the supply of new issues of electric utility shares. The figures for the past five years show that new underwritten offerings of common stocks totalled in 1956 $258 million, 1957 $452 million, 1958 $290 million, 1959 $543 million, 1960 $126 million. It is our opinion that new issues of electric utility common stocks will continue at a low level in the next two years. This is based on a number of reasons including, (1) the presently satisfactory capitalization ratios, (2) a highly comfortable reserve position (reserve generating capacity is now approximately 30% compared to almost zero postwar), and, (3) increasing cash flow from operations. These factors in part explain our opinion that the new supply of electric utility shares will not increase at the same rate as in the past five years.

This factor is a very important point not only with respect to the supply of equity shares, but because of its effect upon earnings. With companies continuing to grow and growing into their reserve capacity accompanied by less than usual equity dilution, it is obvious that the rate of increase in per share earnings should improve. Of course there are worries as to future rate regulation in certain states and there is naturally concern over future competition from Federally financed public power plants.

Demand for Equities

Now let's consider the demand for electric utility common stocks. The story here is one of prospective continued growth. As we all know, electric utility common stocks are suitable for almost all investors. The individual investor is slowly being educated by the investment community as well as by the efforts of EEI to overcome its prejudices concerning regulated industries inherited from the public utility holding company days. The efforts of the New York Stock Exchange, the security houses around the country and, of course, the mutual funds have all been helpful in popularizing common stock investment. We also should not forget that the constant political discussion of growth, new frontiers and inflation all carry an implied message that the way to make money is to buy common stocks. It seems entirely reasonable that the 15,000,000 individual investors will increase in number and will have new funds for common stock investment that may well match the growth of the utility industry.

Now let's turn to a very large class of institutional investors which I will nickname, 'fiduciaries." By this term, I include school, college, hospital and church accounts, trust departments of banks, lawyers' offices and others. By and large, the capital managed by what I term fiduciaries is not growing rapidly. There is, of course, some growth through the increase of population and the fund raising efforts of institutions. The managers of these funds are usually conservative people and have only a portion, usually more than half and often as much as three-quarters of the account invested in common stocks. Furthermore, a pretty sizable proportion of the common stock money is in utilities.

A conspicuous feature of the postwar financial scene has, of course, been the growth of the mutual fund industry. In 1959 the net of sales over redemptions amounted to $1.5 billion and $1.3 billion in 1960. Almost all of this new money finds its way into the stock market and a portion of it, perhaps in the order of 10% to 15%, is for utilities. We should note that as financial institutions go, the mutual fund buyers are quicker to change their minds than some of the others. This applies not only to the holding of individual companies but also to the amount devoted to industries. It is necessary, therefore, for the utility industry to deliver performance as measured by growth of per share earnings and dividends and to continue to do a good job of financial public relations with the mutual fund buyers.

Now the really important factor on the demand side for utility shares is the pension funds. Their growth is explained by a combination of rising wage levels, an increase in the number of people employed and liberalization of coverage and amount of pension benefits. The day of theoretical stability when new money coming in is matched by payments to the retired seems in our judgment to be way off in the future, probably beyond the lifetime of most of us. By and large the pension funds are run on the basis requiring a 3% to 3½% yield on the invested capital. Since bonds provide a yield well in excess of this actuarial requirement, the pension funds have little inhibition from the standpoint of income in investing in common stocks. The managers of the corporation and the trustees of the pension fund realize that important indirect future benefits to the company will be realized if, through common stock investment, the fund increases in value and in the process income has not been reduced and undue risks of loss have not been accepted. If the fund has a cushion of unrealized capital appreciation over book value, it can afford from a risk standpoint not only to carry the stocks it has but maybe increase the percentage of common stocks. The current pattern is to increase the stock proportion, the conspicuous example being that of the Telephone Company. This is being done, not by sale of bonds, but by each year investing a larger proportion of new money in common stocks.

It is obvious for this type of investor steady growth accompanied by low risk and some income is the ideal. It is also obvious that electric utility shares fit the pension fund book as well or better than any other group.

Corporate Pension Funds

The figures that we have been able to assemble indicate that corporate invested pension funds (this excludes insured plans) now total in market value about $33 billion. Of this, an informed estimate indicates that close to 45% is in common stocks and less than a quarter of the common stocks is invested in electric utility shares. Of even more interest is the growth in pension funds. It is estimated that the current annual rate of new money is $3.8 billion a year and remember this will increase each year. We believe that more than one-third and less than half of this new money is being invested in common stocks, roundly $1.5 billion, and in the vicinity of $300 million is allocated to the purchase of electric utility common stocks.

Another significant feature of the pension funds is that they are an important stabilizing influence on the stock market as a whole and utility stocks in particular. I am told typical pension fund buyers are currently somewhat scared of the level of the market and have been holding back from buying equities the past six months. It follows that with any real decline in the market these people would be buying electric power stocks like veritable tigers. Thus the past increase in price of utility stocks is explained by the excess of the demand side of the equation over supply. We expect current conditions to continue for the next couple of years. The new supply of electric utility common stocks we expect to be low, perhaps a little higher than in 1960. Demand from pension funds should continue to grow strongly and we expect continued moderate growth in demand for these stocks at current price levels from individuals, fiduciaries and mutual funds.

Conclusion

Our conclusion is that the relationship between the demand and the supply of utility shares indicates the continuation of the current level of utility price-earnings ratios. I would like to take this opportunity to urge that the excellent work of the Edison Electric Institute in financial public relations be continued and that more Presidents and financial Vice-Presidents of major utilities adopt the procedure of visiting financial centers to explain to institutional investors the current facts concerning their companies. It is also apparent that utility executives must continue their efforts to explain the financial facts of life to the state regulatory bodies, in particular, explaining how sensitive the financial markets are to change and particularly unfavorable changes. An observation we have made is that in the utility field top management does not own much stock. I suggest that stock ownership and stock option plans for top management acts as an important incentive to unite stockholder and management interests and is appropriate in the utility industry. I might add that it would probably be helpful if a pattern of annual dividend increases, even if small in size, were developed rather than waiting to raise the dividend every two or three years and then in large jumps. In our opinion as long as the industry can continue to deliver a growth record, it will have the support of the institutional investor.

*An address by Mr. Hunsaker before the Edison Electric Institute, Investor Relations Committee, Boston, Mass., April 24, 1961.

Goodbody Admits Three Partners

The appointment of three general partners of Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange and other principal exchanges, has been announced by Harold P. Goodbody, managing partner. They are Edward J. Larkin, Werner Lehnberg, and Frederick J. Millett.

Mr. Millett has been named manager of Goodbody's securities research department after a long and distinguished career in financial research. He comes to Goodbody & Co. from the Hanover Bank where he was Vice-President in charge of Research and a member of the Officers' Investment Committee which is the bank's investment policy body.

Mr. Lehnberg has been appointed director of Goodbody & Co.'s commodity division where he has served as manager since the beginning of 1960. Before launching his career in the brokerage field, he was commodity editor of the Fitch Publishing Co. He became associated with Hubbard Bros. & Co. in 1937, and joined Goodbody & Co. in 1939 as head of its commodity research department.

Mr. Larkin, a member of the American Stock Exchange, is, at 26, Goodbody & Co.'s youngest partner. He will be in charge of Goodbody's transactions on the floor of the American Stock Exchange.

Wilson to Join 2nd Dist. Secs.

James G. Wilson will join Second District Securities Co., Inc. New York City on June 15 as Executive Vice-President and Director, it was announced by Morris A. Schapiro, President. Mr. Wilson is now Vice-President of the Connecticut Bank and Trust Company, Hartford, in charge of bank portfolio, customer securities and municipal finance activities.

James G. Wilson

Mr. Wilson will supervise operations of Second District Securities Co., Inc., which has been dealing in Government obligations for many years. Mr. Schapiro, President of Second District Securities Co., Inc., also President of M. A. Schapiro & Co., Inc., an investment banking firm that specializes in bank stocks. The two firms, now located at One Wall Street, will move to new offices at 1 Chase Manhattan Plaza on June 1, 1961.

Salomon Bros. & Hutzler Add

Salomon Brothers & Hutzler, members of the New York Stock Exchange, have announced the following appointments: Albert B. Cohen, formerly a partner of Gruss & Co., to be in charge of the firm's arbitrage department; Claude Sherman, as manager of the foreign section; and Martin Sklar as a registered representative in the arbitrage department.

The firm also announced the enlargement of its arbitrage department to provide greater scope in handling institutional inquiries. Supplementing the service in domestic stocks and convertible bonds, they will now maintain primary markets in a varied list of active foreign securities.

Spingarn, Heine Trading Corp.

Formation of Spingarn, Heine Trading Corp., with headquarters at 50 Broad Street, New York, has been announced. The firm is a corporate affiliate of Spingarn, Heine & Co., members of the New York Stock Exchange, 37 Wall Street.

Trading activities of the new firm, which will specialize in complete units, "Stripped" bonds, stocks and warrants, will be under the supervision of R. Karl Japha, Vice-President. Mr. Japha was formerly associated with the First Chelsea Corporation.

In 1957 Mr. Japha originated the term and trading in "Stripped" bonds through the "due bill" system. "Stripping" is the method of trading bonds and preferred stock not bearing attached common stock, or stock purchase warrants.

Other officers of the new firm are Max Heine, President; Howard Spingarn, Secretary, and Frank Feldman, Treasurer, all partners of Spingarn, Heine & Co.

Gratza Chicago Mgr. Westheimer

CHICAGO, Ill.—William J. Gratza has been appointed manager of Westheimer and Company's new Chicago office at 120 South La Salle Street.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

President Kennedy seems much more preoccupied today with Laos than he is with Cuba, a matter that Congress doesn't understand. His last two or three security conferences have dealt with Laos.

Republican leaders have all assured him that they will support him in whatever action he deems it advisable to take. But the rank and file of Congress are not with him on the question of intervening in Laos. Senator Fulbright of Arkansas, the powerful Chairman of the Senate Foreign Relations Committee, is outspokenly against any intervention in Laos. He points out that we would be committing our soldiers to warfare in a swamp, and that the Laotians themselves have apparently no taste for fighting. He points out that we have already poured $300,000,000 into that country with no satisfactory results.

If the Communist menace is so strong, Fulbright points out that the nations most concerned are Thailand, South Viet Nam and India which stand to be the most hurt. He doesn't understand why they should not do the fighting.

Mr. Kennedy has made a commitment, however, which will be hard for him to get out of.

There is far more concern in Cuba among members of Congress. And the fiasco recently has plummeted the morale of Congress to a new low. But strangely enough, far from cancelling the Kennedy honeymoon, the invasion debacle seems to have extended it. Congressional leaders don't try to explain this—they merely report it. They say that the President's image may have been tarnished internationally by the Cuban incident but that Congressional performance has not been affected adversely. Headline hunting legislators, for instance, prone to fill the hopper on the slightest provocation with resolutions, have unaccountably held back.

And Republicans, hungry as they are for an opening, have never showed more restraint. (A factor here may be former President Eisenhower's opposition to "witch hunts" over the Cuban setback.) Later on, political recriminations may burst in a torrent around the President's head. But for the moment the Capitol's attitude is "wait and see."

Actually, the entire Kennedy program appears to be getting its second wind in the wake of the Cuban debacle. The $600,000,000 asked for Latin-American development sailed through the House intact, 330 to 82. And despite the Conservatives' opposition to backdoor spending, that is, having the money come from the Treasury without Congress having to appropriate it, the depressed areas bill was enacted.

Save for one key measure, medical care for the aged, which still lacks a majority in the House Ways and Means Committee, and will probably not come up at this session, the big Kennedy domestic measures seem headed for passage. A monkey wrench has been thrown into the deliberations, through young Bob Kennedy's apparent impulsive action on civil rights in Virginia. This has burned up the Southerners and they are threatening retaliation against the President. The measures which may be affected include the bill for new social security benefits, Federal aid for public schools, omnibus housing and area redevelopment.

In the meantime, Mr. Kennedy has to make a decision on whether the Office of Civilian Defense and Management is to occupy a more prominent place in the scheme of things. The director, Frank B. Ellis, is an aggressive fellow and is demanding that it be enlarged.

Preiss, Cinder Co. Formed in N.Y.C.

Mrs. Ingerman Joins Staff

Preiss, Cinder & Hoffman Inc. has been formed with offices at 5 Broadway, New York City, to engage in an investment banking and underwriting business. Officers are Edmund Preiss, President, Jules Cinder, Secretary-Treasurer, and Leon Hoffman.

Mrs. Helen Ingerman, formerly assistant news editor of the *Commercial and Financial Chronicle* has joined their staff as a registered representative and executive assistant to Mr. Preiss. Prior to joining the *Chronicle*, Mrs. Ingerman was associated with Marshall Co. as a registered representative.

Frank Mace With Hirsch & Co.

Hirsch & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, have announced that Frank L. Mace is now associated with their firm in the Institutional Department. He was formerly with Alex. Brown & Sons.

Greenshields, DawsonHannaford To Merge

Greenshields & Co. Inc. and Dawson, Hannaford Limited have announced their intention to merge their investment dealing, stockbroking and related interests into one firm to be called Greenshields Inc. effective June 5, 1961. The firm maintains offices in Montreal, Toronto, New York, London, Ottawa, Quebec, Winnipeg, Sherbrooke, and London, Ontario.

AS WE SEE IT

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ministration have passed into history, it would be an excellent thing if President Kennedy forgot about the sort of drive he apparently contemplated, and along with Congress set about developing a sane program for the remainder of his term.

History will, we venture to say, appraise both the President and Congress far more by what they do from this day onwards than by any legislation already adopted or proposed by the Democratic regime. The country is in real need of drastic change in policy and law, but the changes needed are not of the sort that can be successfully drafted over night and rushed through a panic-stricken Congress. About the only record that President Kennedy has so far broken lies in the number and sweep of his "urgent" proposals to Congress—which apparently has filed most of them away for future reference, if any.

Many, if not most of these suggestions by the President are rather vague in the terms they employ, but in more cases than not tend rather definitely in the wrong direction. For the most part they would simply push the New Deal type of program further and thus get us farther and farther away from the place where we want to be, or ought to want to be. The trouble, or one of them, is that there are almost no counter proposals which have been worked out carefully and command the support of responsible and influential groups in Washington or in the councils of the major parties. It was President Wilson who in relatively recent years ardently preached the doctrine that the President has the duty to lead in the matter of legislation and general national policy. His idea on the subject appears to have been rather generally followed in recent years—and not always to the advantage of the country.

We have no intention of embarking upon any discussion of the theory of democratic government. Suffice it to say that the Wilsonian theories have certain very obvious and serious limitations. Professor Wilson (he expounded his theories long before he ever entered practical politics) would hardly agree that he advocated making a "rubber stamp" of Congress, and no President yet, not even excepting Franklin Roosevelt, although he came very near it at times, has quite succeeded in doing any such thing. It is rather obvious, though, that real leadership in Congress has not sustained itself well in recent years. Presidents have gone through the motions of consulting members of Congress and in various ways attempted to get their support for tailor-made programs. In some instances, doubtless, Congress or members or sections of it, have had a hand in shaping Administration policies, but the final decisions appear to have been made at the White House.

Constructive Opposition Needed

Among the shortcomings of the Wilsonian doctrine is the fact that it leaves so little room for constructive opposition upon Capitol Hill. In situations such as that now existing, it seems to us to be of vital importance that somewhere — and where else than in Congress? — there ought to be a continuously functioning constructive group of influential men formulating and advocating policies which are free of the defects so conspicuous in those formulated at the White House. They should, of course, be drafted by knowledgable men, both in economic policy and practical politics.

At the moment, we certainly have nothing of the sort. President Kennedy has sought to pre-empt the field with ideas which the country would do well for the most part to reject. Currently, these multifarious suggestions appear to be gathering dust somewhere in the files of Congress. Whether the Administration will presently be able to arouse Congress, or influential members of it, to draft measures to meet the requirements of the Presidential messages and to give them real support in the Congressional mill, we, of course, have no way of knowing. At this time, at least, there is apparently little tendency to do anything of the sort. What may happen after members of Congress have had an opportunity to talk things over with their constituencies is another matter. That doubtless will depend largely upon the degree in which the Administration has been successful in convincing and arousing voters generally.

Meanwhile, it is disheartening and we think hazardous, that members of Congress who do not agree with the lines the President has laid down (and that would include a number of the members of his own party) have no carefully formulated policy to substitute for any of the proposals of the President, no programs which they could and would take to the people when they go home after adjournment later this year. This seems almost too much like leaving the field to the New Dealish thinking and plans of an Administration which is apparently determined to take us much farther along the path of radicalism and away from the policies and philosophy that have enabled us to become the envy of the world.

THE SECURITY I LIKE BEST...

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payable out of earnings. Acme's present earning power (about $1.2 million annually) exceeds P&R's initial investment. Blue Ridge is the largest producer of work clothes in this country, much of its production being distributed through major retail and mail order chains. Deluxe Reading is a major producer of children's toys, which are marketed on a nation-wide basis through 100,000 super-market outlets. The company's products sell in the $7 to $15 range, and readers of these remarks who are parents with small children will not be surprised to learn that Deluxe Reading's sales and profits growth have been outstanding.

Last June P&R purchased a majority interest in Chatham Chemical. Chatham's two subsidiaries are Houston Chemical and Wabash Chemical. Houston is constructing plants at Beaumont, Texas, to produce ethylene glycol, or automobile antifreeze, as well as tetraethyl and tetramethyl lead gasoline additives. Wabash Chemical operates a sulfuric acid plant near Chicago, Ill.

While it might seem surprising to some that PRG has chosen to enter the highly competitive automobile antifreeze field (Houston has also purchased Commercial Solvents' anti-freeze division) the company is extremely confident of its ability to make money from this product and from its other chemical activities. Other new activities of Houston Chemical include 50% ownership (with Great Lakes Chemical) of a new bromine-producing facility and, held in reserve as a future contributor to profits is further work, to be carried on through Chatham Chemical division, in the field of utilization of anthracite waste products.

Philadelphia & Reading's most recent acquisition was Fruit of the Loom, purchased for about $6½ million. Fruit of the Loom licenses over 100 manufacturers to produce and market a variety of soft goods such as sheets, towels, shirts, and underwear (Union Underwear was an important licensee). In 1960, on sales volume of over $40 million, Union earned $3.5 million.

The numbers in Philadelphia & Reading's earnings reports in past years have been distorted because of the presence of coal operations. For example, in 1960 the company earned $2.56 a common share; this was after a loss from coal operations. However, in the first quarter figures released last week, the company showed a decline in reported per-share earnings, from the 42 cents a share of the first three months of 1960 to 33 cents in this year's first quarter. The explanation, simply enough, is that the first quarter last year was cold—so anthracite sales were up, and coal was a profits contributor in that period of 1960. This year, of course, the coal properties were not part of the company. Prior to the release of the first quarter figures we had been estimating PRG's 1961 profits at perhaps $3.25 a common share.

We see no reason at this stage to modify that estimate, but 1961 results ought not be the most important point for new investors in this company to consider (for example, if our $3.25 figure is correct, the stock at 64 is selling at about 19½ times this year's earnings, hardly a bargain price). However, we think it quite likely that earnings of the company next year could be in the $4.00 to $5.00 range, supported by higher volumes in existing divisions, sales and profits contributions from new chemical operations, and not taking into account at all any new acquisitions which might be effected in coming months (we tend toward the higher side of the range, and mention the lower only to provide the usual hedge that analysts are by tradition and training required to insert). Considering that we have only two-thirds of the year to go, it does not seem unreasonable to look to 1962 for the earnings capability to support present stock prices in investment situations.

To summarize, then: In my opinion Philadelphia & Reading, listed on the New York Stock Exchange, is attractive for its management, for its earning power, for its determination to let financial criteria determine its expansion, and for the financial potentialities available to investors in the company as the public generally becomes aware of the changed nature, and the potentials, of this new, diversified, industrial giant.

Firm Named Now Lomasney, Loving

Myron A. Lomasney Company, investment banking firm of 67 Broad Street, New York City, as of May 1, became Lomasney,

Milton Van Riper   Graham Loving

Loving & Co. In addition to the name change, the company is adding two partners, Milton Van Riper and Graham Loving.

Milton Van Riper has been with the company since September, 1959. He was formerly manager of the New York office of Cruttenden, Podesta & Company, a position he held for five years. Before that he was for 14 years with John C. Legg & Company.

Graham Loving has been with the Lomasney investing organization since August, 1959. Previously he was for seven years with the Oklahoma City law firm of Mosteller, Fellers, Andrews & Loving. Mr. Loving is a graduate lawyer and began his career with the Department of Justice.

H. Stewart Joins Eppler, Guerin Co.

EL PASO, Texas — Harold S. Stewart has become associated with Eppler, Guerin & Turner, Inc., members of the New York Stock Exchange, as manager of their new El Paso office in the Bassett Tower. Mr. Stewart was formerly President of Harold S. Stewart & Company.

Garvin, Bantel To Admit Byrne

Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on May 18 will admit James F. Byrne III to partnership.

With Bosworth, Sullivan

(Special to The Financial Chronicle)

DENVER, Colo.—James I. Geddes has become associated with Bosworth, Sullivan & Company, Inc., 660 Seventeenth Street, members of the New York Stock Exchange. Mr. Geddes in the past conducted his own investment firm, Geddes, Andrews & Co., in Los Angeles and Grand Junction.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks hovered in an inconclusive pattern this week to continue the first respite the list has had since it hit bottom last October and then started a new bull swing.

Much was made of the fact that this was the period when commitments taken on last October become long-term holdings to trim the tax burden of profit-taking. Some of this selling evidently started late in April.

But the list showed no intention of backing away significantly from the 696 posted on April 17. It retreated only around a score of points from the high when expectations were that any correction that showed up would be more drastic. Up to here it has seemed to be a case where industrials particularly were bent on consolidating rather than correcting the long runup.

Worry Only Mild

With Wall Street sentiment still bullish, the fact that there was some sort of resistance around the 700 level which prevented the industrials from showing in that rarified area for the first time in history, was only mildly disconcerting. Volume dropped off rather sharply on the respite, which was a favorable omen. And even in the doldrums a few items were able to soar as cash-laden traders jumped in on any evidence that a favored item could make independent progress.

There had been virtually no correction for the industrial average ever since it started uphill from the 566 level reached just before last year's elections, so with an improvement of 130 points behind it a correction was, if anything overdue.

High-Yielding Issues

Steels were still laggard, despite industry forecasts that the low point had been passed. This probably was more than offset by the dreary first quarter reports when even Armco Steel, which has something of a superior earnings ability, failed to cover the dividend requirement.

Armco had earned its dividend each quarter through 1960, ending the year with per-share earnings of \$4.76 against the \$3 dividend. For this year's first quarter results came to 63 cents against the 75-cent dividend. But the company's annual meeting was told that there was definite improvement in the final month of the quarter and that improvement will continue in the current quarter. So the dividend is not considered in any particular jeopardy and returns a shade better than 4% at recent prices. That is far better than the returns available in the "growth" area where a 1% yield is considered generous.

General Cable is also a high-yield item, its return running around 4¾%. It is also one without too many shares outstanding since nearly a million shares of the 2.6 million capitalization are owned by American Smelting. General Cable weathered the recession last year in good style, its 3% sales decline mostly due to price cuts. Nevertheless it could benefit from a general business improvement with marked gains in its earnings.

The unknown quantity in General Cable is its new participation in missile work, specifically communication and control cable for bases for the Minuteman. This Air Force contract estimated at more than \$12 million ultimately won't benefit results of General Cable until the second half of this year when deliveries start. And this phase of its business could be the expanding one.

In the Rail Section

The really liberal yields are in the thoroughly deflated rail section even where, as in the case of Chesapeake & Ohio, there is superior earning power. C. & O. hasn't been entirely immune to the recession and its carloadings were down 23% in this year's first quarter so that the dividend wasn't covered. But the outlook for the road for the rest of the year is for improved results and the line is expected to match last year's results when earnings came to a shade over \$5 against the \$4 dividend requirement. At recent levels around 62, that represents a return of well above 6%. Eventually, when the merger picture is ironed out and merger with Baltimore & Ohio effected, C & O could show some huge savings from the combination which would give it room to make important strides in the future.

The railroad picture in this country has been sufficiently unappetizing so that even up in Canada where rail transportation hasn't suffered as drastically from competition, Canadian Pacific has been ignored to the point where its yield comes close to 6½%.

Canadian Pacific is far more than a mere railroad since it runs airlines, trucks, steamships and hotels, plus other enterprises that also give it oil and gas revenue. Like the American carriers, Canadian Pacific has problems including arbitrary, government-imposed rates and unprofitable service. But up there a commission was set up two years ago to consider the problems and recommend solutions. Its resulting report recommends subsidies to make up for some of the losses until a permanent solution can be found, particularly in hauling grain which is one of the most important commodities to Canadian Pacific.

With the hope of legislative relief for the thornier problems facing this Canadian carrier, its future seems brighter than that of the deficit-ridden American lines where even the promise of specific relief has yet to appear.

Tobaccos Interesting

There are also some good yields available in the tobacco shares which, apart from a good run in recent years by Lorillard on its marketing success, haven't had any enthusiastic investment interest for a long time. Philip Morris offers a 4% yield and a diversified firm that spread its interests when it acquired the ASR subsidiary, the old American Safety Razor.

In its own field Philip Morris is doing well, reporting a 3½% sales increase and a 5% earnings gain for the first quarter of this year. Some of its newer brands are showing good sales growth and introduction of the old Philip Morris brand in king-size form enabled this brand to show its first sales gain in a decade.

The popular game in the past when it comes to tobacco shares was to try to find the most rapidly growing brand and look with favor on that company. One, however, that is immune to all the brand fluctuations is Universal Leaf Tobacco. It is a broker and tobacco supplier not only for the domestic industry but also for foreign users. Its results consequently, mirror the fortunes of the entire industry. The return on its price of 44 is an average 3½%. However, the \$1.40 payout, against \$3.43 earned in its last fiscal year and \$4 which is anticipated for the current one, is modest, and makes it a candidate for a better payment.

Long-neglected Texas Gulf Sulphur has had problems for a long while but seems to have made a turn in that it was able to hold earnings stable for the first quarter this year, and could benefit importantly from a general business pickup. The problems of sulphur producers stem from low-cost competition, for which there is no easy solution. Texas chose the diversification route, announcing a multimillion dollar potash operation which is its first major move in that direction. It will take time to appear in the earnings figures, but meanwhile the issue offers a bit better than 4% and a possible turn for the better in its basic fortunes, pending the diversification benefits.

[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.]

J. C. Bradford Admits Three

J. C. Bradford & Co., members of the New York Stock Exchange, have announced that Albert S. Hill, David Steine and Gordon B. Duval have been admitted to general partnership in the firm. Messrs. Hill and Steine will make their headquarters in the firm's Nashville, Tenn. office, 418 Union Street, while Mr. Duval will be located in the New York City office at 44 Wall Street.

Mr. Hill has been identified with the municipal bond business in Nashville and Tennessee for the last 30 years and since 1955 has been manager of the Municipal Bond Department of J. C. Bradford & Co. Mr. Duval has been active in the financial district of New York City for more than 30 years and was previously with Halsey, Stuart & Co., Inc.; a vice-president of the Guaranty Trust Co. of New York, and from 1957 to date, he was an officer of Dancy, Duval & Co., business brokers and consultants. Mr. Steine, a professor of business administration at Vanderbilt University, has been a consultant at J. C. Bradford & Co. since 1955, and was formerly an executive at Coca-Cola Bottling Works in Nashville.

W. W. Layng Opens

SPRINGFIELD, N. J.—Wilbert W. Layng is conducting a securities business from offices at 90 Lyon Place.

Nat'l Analysts Change Name

Directors of the National Federation of Financial Analysts Societies, at their annual meeting voted to change the name of the group to the Financial Analysts Federation and named a new slate of officers.

The new officers, who will assume their positions July 1, 1961, are George S. Kemp, of Richmond, a General Partner in the investment firm of Abbott, Proctor & Paine, President; David D. Williams, Vice-President and Assistant Trust Officer of the National Bank of Detroit, Executive Vice-President, and George M. Hansen, of Keystone Csutodian Funds, Boston, re-elected Executive Secretary and Treasurer.

Earlier, the Executive Council of the Federation's Institute of Chartered Financial Analysts, met in special session and chose the University of Virginia's Graduate School of Business Administration as the Institute's national headquarters.

In other action, the board admitted to the Federation the Financial Analysts of Atlanta, Ga. These moves were part of the Federation's 14th annual convention which opened Saturday in Richmond and will continue through Wednesday. The event has attracted an attendance of more than 1,400 persons.

Concerning the appointment of the University of Virginia as ICFA headquarters, outgoing Federation President Jeremy C. Jenks explained that the school would help develop and administer a program for chartering analysts.

Dr. C. Stewart Sheppard, who this fall will become professor of business administration at the University of Virginia, will serve as Director of the Institute. Currently, Dr. Sheppard is Dean of the Graduate School of Business Administration at Cornell University.

Mr. Jenks, who is associated with Cyrus J. Lawrence and Sons, New York, said the Institute intends to charter qualified members rather than certify them, because charters can be evoked or suspended for unethical performance, while certificates usually are lifetime awards. A formal code of ethics for analysts will be adopted by the Institute.

For administering the program of The Institute of Chartered Financial Analysts, the University will receive financial support from the Institute.

Admission of the Atlanta society brings to 26 the number of component organizations now in the Federation. Organized in 1947, the Federation has experienced continued growth and now embraces some 6,800 analysts.

Forecasting Conf. Scheduled

A distinguished group of experts from business, government and the academic world will take a new look at the outlook on business conditions, the stock market and sales prospects at an all-day Annual Forecasting Conference sponsored by the American Statistical Association's New York Area Chapter at the Plaza, Fifth Avenue and 59th Street, on Friday, May 5, 1961. Roger Williams, Economist for Luria Brothers and Company, Conference Chairman, has announced that the forecasting session will be opened to the public.

Sessions are scheduled to examine modern forecasting techniques. Short-range economic forecasting and long-term forecasting are among the subjects that will come under review. Sales forecasting techniques and the business outlook will also be discussed.

Chairman of the meeting will be A. Wilfred May, Executive Editor of the "Commercial & Financial Chronicle," faculty member of the New School for Social Research, and former Securities and Exchange Commission official.

Other speakers are: Garfield A. Drew, Drew Investment Associates, Inc.; author, "New Methods for Profit in the Stock Market," and Edmund W. Tabell, noted market analyst; Partner, Walston and Company, members New York Stock Exchange.

Registration fee is \$12.50 for the full day session, including luncheon. The luncheon program, at which James Duesenberry of Harvard University will speak on the subject of Economic Growth, is also open to public attendance at a cost of \$6.50. Persons wishing to make arrangements for attendance should contact Mr. Sidney Sameth, Executive Secretary of the New York Area Chapter, American Statistical Association, at WA 4-2510, Ext. 272, or Miss Margaret K. Matulis at LO 4-3000.

The International Economic Imbalance Can Be Resolved

By J. H. Richter,* *Economic Advisor, Foreign Agricultural Service, U. S. Department of Agriculture, Washington, D. C.*

Two-fold division of our balance of payments disequilibrium into "basic imbalance" and "open market imbalance" permits author to pinpoint the essence of our difficulties. He depicts short-circuiting increase in international liquidity abroad at our expense affecting the return flow of funds, and suggests temporary and basic measures to correct the imbalance. Mentioned is the possible resort to Section 3 of Article VI under the IMF dealing with the control of capital flow, and international arrangements with central bankers and the IMF to head off currency speculation.

Current Problem

The current problem of the U. S. balance of payments is characterized by the U. S. loss of gold and the persistent accumulation of short-term foreign funds (which, together with previous accumulations, can be withdrawn in terms of gold). This in turn signifies two disequilibria: The first is a "basic imbalance."[1] It shows that, over and above what can be financed out of earned surpluses or long-term credits accruing to the U. S. currently in its dealings with the rest of the world,

(a) the U. S. Government extends long-term credits or makes grants *a fond perdu* to foreign countries; and

(b) U. S. citizens make long-term investments in foreign countries.

The second disequilibrium consists of what might be called an "open market imbalance" persisting over an unduly long period.[1] This disequilibrium is an excess of an outpayment of volatile funds over receipts. The outpayments are payments for private portfolio investments abroad (purchases of foreign stocks and bonds) and for the accumulation abroad of liquid deposits, for investment or speculative reasons or to gain from interest differentials, as well as for withdrawals of foreign liquid deposits or of short-term foreign funds resulting from the liquidation of portfolio investments in the U. S. (sales of U. S. stocks and bonds). The receipts are payments to the U. S. of corresponding character.

For obvious reasons, the first type of disequilibrium or "basic imbalance" requires correction by basic adjustments. The second type of disequilibrium more likely than not will tend to disappear if there is an obvious determination to tackle the basic one; and it will quickly respond to measures of monetary policy and control of capital movements.

Looking at the two disequilibria together, one might say they show that the U. S. gives away or loans to foreign countries assets which it cannot recall at will or at all —not only out of the resources currently accruing to it, but also out of resources previously accumulated and not recurring, as well as out of foreign funds that it may have to repay on short notice.

The Essence of Imbalance

If countries act with reason in their international economic relations, such imbalance of international payments cannot for any length of time persist. Any purchasing power handed over to other countries would return to the issuing country in settlement of claims currently accruing, such as for imports from the issuing country, even if by circuitous (multilateral) route. It can only be as a result of the hoarding by some countries of international buying power received from others that imbalance comes about. (Hoarding in this context is simply a deliberate or inadvertent increase in a country's international liquidity. Inadvertence can, however, only be claimed over short periods; in the longer run it can be corrected by appropriate policies. To some extent, increases in a country's liquidity may be quite compatible with good-neighbor behavior and actively supported by other countries already holding large reserves of international buying power; witness the policy of the United States under the Marshall Plan which, at least in part, encouraged not only the movement of physical resources into needy countries, but also their accumulation of currency reserves.)

The present international imbalance characterized by the outflow of gold from the U. S. is thus an indication that the rest of the world is acting to increase its liquidity, or to hoard international buying power, at the expense of the liquidity of other countries — in this case the U. S.

Correcting Imbalance

If hoarding of international buying power by some countries at the expense of others is the essence of the imbalance under review, it is clear that responsibility for correction rests, at least to some extent, with the hoarding countries. Not entirely, of course, since such hoarding can be made a lot more or less "inadvertent" by wrong or right policies of the deficit countries.

So far as the United States as a present deficit country is concerned, it is clear that, in order to restore long-run equilibrium, we must increase our surplus on current account, reduce outward movements of capital, or increase inward movements, or do some of all these things. Since the inflow of short-term funds is an inherently unstable source we must rule it out as a basic corrective (although, as we shall see, the organized in-transfer in case of need of short-term funds — so-called "standstill" or "standby" credits—may serve as a temporary expedient to combat a wave of speculation against the dollar or for an increase in the price of gold).

Increased Exports

It is elementary economics that, so far as measures on the United States side are concerned, the most desirable corrective we should seek is to increase our surplus on current account; and that the most desirable way to increase the surplus on current account is an increase in exports. Obviously this would be much more desirable than a curtailment of U. S. imports. And indeed such an increase in exports follows often quite naturally in the wake of the funds that a government and its citizens give or loan foreign countries through economic aid and direct business investment as well as other commercial transactions. For economic aid and capital imports by other countries are mostly needed to secure physical resources through imports. Hence, even if in a roundabout way, as implied above, the resulting import demand should end up in the aid-giving or capital-exporting countries, unless there are those leakages into hoarding at some intermediate stages.

Imports and Capital Movements

Second, it is equally clear that not all of the adjustment is likely to come through increased exports. Adjustment will have to include some of the other items among the United States outpayments: no matter how undesirable, there may be a dip in imports. And, while such essential items as Government pensions and private remittances, involving basic issues of trust and freedom, should not of course be touched, both private capital movements and government assistance to foreign countries, other than out of previously accumulated resources that are surplus to reasonable present United States requirements, may undergo some curtailment. Incidentally, such curtailment would in any case be the concomitant of the increased ability of the economics that have been reconstructed by previous United States aid to carry a larger share of international grant and loan operations.[2]

Control of Capital Flow

It is, therefore, quite possible that, if other measures are not sufficiently effective, some control over capital movements might become desirable. If so, the action would of course be taken precisely in order to safeguard freedom of payments on current account and those capital movements which are for desirable purposes. Sec. 3 of Article VI of the Articles of Agreement of the IMF provides some broad guidance for such regulations by stipulating that control of capital movements must be exercised in a manner which does not restrict or delay payments for current transactions and for the settlement of existing commitments, except in specified emergencies.

Measures of this kind, whose effectiveness in the U. S. would in any case be an open question, could be avoided if international arrangements can be made to assure countries transitional assistance in essentially temporary emergencies.

International Arrangements

Such international arrangements can and should be made for periods of transistion or crisis, among the leading central banks, to head off speculation against the dollar or any other currency, or speculation for an increase in the price of gold. In fact, there are many indications that the leading countries would be eager to enter into such accords; it is well understood that anything that would protect the U. S. dollar would also protect their own currencies and the long-run welfare of their economies. Such arrangements would supplement the protection that is now afforded by the increased quotas in the IMF.

Again, the types of measures that might be envisioned must remain for detailed discussion. But it would be reasonable to expect an agreement among the central banks of the United Kingdom, Germany, Switzerland, France, Italy, Japan and perhaps other countries to accumulate, if necessary, large dollar balances at the Federal Reserve system to neutralize any panicky movement of short-term private funds. Such an agreement might be made for the duration of six months at a time. Simultaneously the United States would guarantee, for the same periods, the exchange value of the dollar at present parities with the respective currencies concerned—subject only to any IMF-approved change in the gold parity of any country's currency undertaken on the initiative of its government.

It would be understood, and would be made part of the agreement, that the United States would be willing to participate in corresponding assistance to the currency of any other participating country similarly put under temporary strain as a result of the hoarding of international buying power by other countries. It would also be understood that it should above all be up to those countries who do the hoarding (that is to say, run a more than ephemeral surplus on their international accounts) to act promptly in preventing sudden movements of funds: to substitute central bank accumulation of balances of the currency concerned for volatile private funds shifted in quantity. They should act thus pending the needed application of more fundamental corrective policies.[3]

Toward Reform

All this could easily be arranged with or without the help of the IMF. As we move towards arrangements of this kind, the IMF might also explore the possibilities of obligating central banks to sell gold at their currency parities only to such central banks as in turn obligate themselves to sell gold only to other central banks. Conversely, there might be a strong hint to the effect that, if speculation were to threaten international liquidity, the member countries of the IMF would consult with a view to suspending purchases of gold or reducing their purchase prices without changing inter-currency parities, to the extent necessary to remove the threat.

These and other moves would bring the community of nations nearer a more rational system of stable exchange rates and equilibrated inter-currency parities whose maintenance would not depend on the permanent retention of gold as a means of international payments, but would more assuredly combine international liquidity with international balance in the national accounts. No attempts, however, should be made at present to raise this basic issue; it would dramatize the balance of payments problem at the wrong time.

Conclusion

The above approach to the present problem would seem to commend itself for a number of reasons. First, it would give the U. S. more elbow room for expansion at home. Second, it would exert pressure upon countries hoarding international buying power to take on more of the job of foreign aid, or to let the United States do it as their agent. (This, incidentally, is what a prolonged "standstill" agreement, and a prolonged need for it, would mean.) Third it would help drive home the need for determined international cooperation to safeguard international liquidity—one of the most important requirements of an

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1 Walter Gardner's thoughtful analytical presentation of the balance of payments makes this distinction between "basic balance" and "open market balance." (See forthcoming article in *Staff Papers*, IMF.)

2 Also, there may be an inadvertent political wisdom, so-to-speak, in such developments. We need only contemplate the resentment, even in some advanced countries, which foreign investment has caused, particularly if there was too much by any one foreign country; or the lack of enthusiasm, or outright ingratitude, for bilateral economic aid in many a poor country. A declining share of the United States in total international aid and loan operations would, incidentally, fit well into a situation in which we would increasingly favor multilateral approaches. This should not be taken as the expression of an attitude unfriendly toward foreign aid by the United States. On the contrary, *total* United States aid might well increase over the years, with a declining *share* in the world total.

3 The proposal made by E. M. Bernstein at the meeting of the American Economic Association on Dec. 30, 1960, amounts to much the same idea; but it might be preferable to have more informal arrangements. Bernstein suggests that the IMF enter into arrangements "with all of the large holders of reserves (meaning reserves of foreign exchange, mainly dollars and Pounds Sterling) under which their governments or central banks would undertake to lend the Fund stated amounts of their currencies, at the Fund's request, in return for an interest-bearing note of the Fund . . . The Fund would call on a member to take up all or part of its agreed subscription to these notes whenever another member needs that currency to meet a major outflow of funds or is presented with a demand for conversions of large balances by that country.'

expanding world economy, international trade, and economic development of less developed countries. As for the rest, correction of persistent basic imbalances is, of course, necessary, one way or another. But much less will remain as a basic imbalance if the measures that have been indicated prove feasible.

*This article expresses the personal opinions of the author and does not necessarily reflect officially accepted views.

Continental Oil Sells Debentures

Morgan Stanley & Co. heads a nationwide underwriting group comprising 127 investment firms which sold publicly on May 3 a new issue of $100,000,000 Continental Oil Co. 4½% debentures due 1991. The debentures were priced at 99¼% and accrued interest to yield approximately 4.55% to maturity.

The proceeds of the present issue will be used on part to retire $50,400,000 of notes payable to banks. The balance will be added to general funds and used for such purposes as investments in and advances to domestic and foreign subsidiary and affiliated companies, and for exploration and development of oil and gas properties.

A mandatory sinking fund provided for the debentures commencing in 1966 is calculated to retire 80% of the issue prior to maturity. Optional redemption prices range from 103¾% to the principal amount beginning 1986. The sinking fund redemption price will be 100%. It is provided, however, that the company may not prior to May 1, 1966, redeem any debentures from or in anticipation of moneys borrowed at an interest cost to it of less than 4.55%.

Continental's integrated operations include exploration for and development and production of crude oil and natural gas, and refining transporting and marketing of petroleum and its products. The company ranks approximately eighth in domestic crude oil production, fourteenth in domestic refinery runs and twelfth in domestic refined product sales. Through subsidiary and affiliated companies, the company also carries on business and operations in a number of foreign countries. Both directly and through subsidiary and affiliated corporations, Continental manufactures and sells a variety of petroleum-based chemical products.

For 1960 the company (and consolidated subsidiaries) reported revenues of $799,145,000 and net income of $61,233,000 compared with $786,752,000 and $60,272,000, respectively, in 1959.

Capitalization of Continental and consolidated subsidiaries as adjusted to give effect to this financing showed $204,040,987 of long-term debt, 21,139,016 shares of capital stock at $5 par, capital surplus of $116,237,000 and retained earnings of $286.525.000.

Schmelzer Joins Paine, Webber Staff

CLEVELAND, Ohio—Lawrence C. Schmelzer has joined the staff of Paine, Webber, Jackson & Curtis in their Sheraton Cleveland office. He was formerly associated with Edward N. Siegler & Co.

Monroe Now Prop.

ASHEBORO, N. C. — James M. Monroe is now sole proprietor of American Mutual Funds, 312 Gardner Road, dealers in mutual fund shares.

W. R. Johnston Opens

NIAGARA FALLS, N. Y. — William R. Johnston is conducting a securities business from offices at 2506 River Road.

The Challenge Inherent in International Banking

By S. Waldo Coleman, *Chairman, Commonwealth Group of Mutual Funds*

Developments abroad providing great challenge and opportunities for American investors are outlined by Mr. Coleman. These include the marked political and economic changes tending to create a "United States of Europe" and to advance the standard of living and concomitant need for greater production. Mr. Coleman notes, for example, the faster rise of foreign stock indexes than our Dow-Jones Average, and the popularity of foreign securities here.

An outstanding economic trend of recent years, well-known to everyone in the investment industry, is the extent to which business enterprises and investment capital increasingly flow across national boundaries.


S. Waldo Coleman

Science and technology have made the world smaller; the economies of different nations are becoming more closely interrelated; and the rise of the Iron Curtain countries has added a compelling political reason for the Free World not only to accept, but to strengthen, the growing interdependence of the non-Communist portion of the world.

For the United States, which has succeeded Great Britain as the largest source of export capital, this international era holds great challenge and opportunity. For American investors, whose savings underlie the nation's industrial and financial strength, there are also great opportunities—and extra challenges because of the added risks and complexities involved in international investing.

For American investment companies, whose mutual fund approach has become a very popular and reliable medium through which individuals may invest, the rapidly-growing international economy constitutes a logical opportunity for further service to the investor.

Rapid Growth Abroad

What is taking place abroad is one of those major periods of change in economic history. There is sweeping the world what has been called "a wave of rising expectations," in which people around the globe are pursuing the higher standards of living which modern science and industry have made possible. Not only is there a desire for an improved life, there is a willingness and a determination to make the changes in traditional economic and political patterns necessary to achieve improvement.

In the underdeveloped areas, the former colonial territories, there is a vast need for, and determination to get, such basic economic improvements as irrigation, flood control, and hydroelectric projects.

In the more advanced countries, as in Europe, there is an equally powerful wave of rising expectations, and there it is taking the form, especially, of rapid advances in more consumer-oriented industries. What is happening is that the kind of mass consumer markets we have had in the United States are only just beginning to be developed there.

The necessary political and economic changes are being made: a kind of "United States of Europe" is being created through organization of common markets and free trade areas where tariff barriers are being destroyed, thus opening wider markets, and economic cooperation and integration is being carried on across national borders.

I read recently, for example, that the largest steel mill in France is shortly to be built, not in the areas where French iron ore and coal are available, but near Dunkerque, where for the first time large basic industry will depend largely on raw material sources in other countries.

Under this new impetus, industrial production has risen impressively. Compared with a 15% increase in general industrial production in the United States between 1953 and 1959, some of the gains abroad were as follows: Great Britain, 20%; Netherland, 39%; Germany, 62%.

There is still a great deal of room for growth. The Common market, for example, which consists of six counties on the Continent, has as many people as the United States, but so far only a third of the national output.

Dearth of Durable Goods

Imagine a washing machine manufacturer from America, for instance, where there are 235 of such appliances per 1,000 of population, looking at the figures that reveal that only 7 out of 1,000 people in Italy and 45 out of 1,000 in Germany have washing machines. Or television sets: compared with 277 per 1,000 people in the U. S., it is only 10 in the Netherlands and 20 in Italy. Or automobiles: against 315 per 1,000 people in the U. S., there are only 36 in Germany and 70 in France.

I recall on one of my early trips to England questioning someone about the fact that there seemed to be no garages provided for in some housing facilities I saw being built. The answer I got was that the people there would never be able to afford cars. They would never be able to save enough money to pay for one, I was told.

For a long time that was very true: installment buying and consumer financing were almost unknown over there. Now all that is changing. In Britain increased productivity has brought about what is called "hire purchase," that is, installment buying. It is becoming very widespread, along with the mass production and marketing techniques, and the modern advertising and promotion methods that have characterized the American economy's impressive growth.

In many ways, it can be said that Europe now stands where the U. S. stood in the period after World War I, with much the same potential for economic growth that we had then.

The Need for Capital

The importance of all this for us is that enormous amounts of capital are required for the vastly-expanded production and marketing facilities that are being developed abroad.

One phase of the economic and political changes being made in this new era is the creation of the economic climate and institutions to fulfill this great need for capital. Sounder currency and monetary practices are recognized as necessary to encourage investment. Individuals are being encouraged to invest, and foreign capital is being attracted by means of better regulations like our SEC, and standards of financial practice similar to ours.

What all this means to America, which has succeeded Great Britain as the largest single source of capital, technical skill, and industrial capacity in the world, is that there are extremely attractive opportunities overseas, both for business operations and for investment.

A great many American corporations have gone into foreign operations, of course, in various ways and for various reasons. The book value of direct foreign investments by U. S. companies rose from about $12 billion in 1950 to around $30 billion by 1960.

In addition to such participation by established American corporations, another important way in which American capital is taking advantage of the opportunities available overseas is through direct investment in securities of foreign companies.

A remarkable development of recent years that can hardly have escaped anyone familiar with the American securities markets is the extent to which foreign securities have become popular here.

A few international companies, like Royal Dutch, Unilever, Philips Lamp, International Nickel, and Aluminium have long been standbys in American portfolios, of course, but they are now being joined by many others.

Hundreds of foreign securities are now traded regularly in this country. One has only to look at the financial press to see the advertisements for them and to see the dozens that are listed on the New York Stock Exchange, the American Stock Exchange, and in the Over-the-Counter Markets.

More important, the performance of these foreign equities has been very impressive. Helped by all the economic trends I have been describing, and no doubt by increasing American interest, foreign securities markets have risen faster than ours in the past few years.

Compared with a 124% rise in the Dow-Jones average since 1952, which we consider impressive, representative indexes in foreign markets have risen like this: Great Britain, 179%; Netherlands, Italy, and France, all more than 300%; and Germany, 538%.

Bell Tel. of Pa. Debens. Offered

The First Boston Corp. and associates offered publicly on May 3 an issue of $50,000,000 of the Bell Telephone Co. of Pennsylvania's 4¾% debentures, due May 1, 2001, at 102.732% to yield 4.60%. The group was awarded the issue at competitive sale on a bid of 101.884% for the 4¾% coupon.

The debentures are not redeemable prior to May 1, 1966. Thereafter, they are redeemable at the option of the company at redemption prices ranging from 105.732% for those redeemed prior to May 1, 1967 to 100% for those redeemed on or after May 1, 1996.

Of the proceeds from the sale of the new debentures, the company will use a part to repay outstanding advances of about $36,500,000 from its parent company, American Telephone & Telegraph Co., and plans to call for redemption on June 2, 1961 its $30,000,000 of 5⅜% debentures due 1994.

The company is engaged in the business of furnishing communication services, mainly local and toll telephone service, in the Commonwealth of Pennsylvania. On Dec. 31, 1960, the company had 4,302,914 telephones in service, of which about 44% were in the Philadelphia metropolitan area and about 24% in the Pittsburgh metropolitan area.

Total operating revenues of the company in 1960 amounted to $419,472,000 and net income to $59,738,000 compared with total operating revenues of $397,876,000 and net income of $55,834,000 in 1959.

Giving effect to the sale of the new debentures, capitalization of the company as of Dec. 31, 1960 was: $245,000,000 in funded debt; and 33,000,000 shares of common stock, par $20.

NEWS ABOUT BANKS AND BANKERS

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

Melvin H. Shagam has joined **Commercial Bank of North America, New York,** as Vice-President,

Melvin H. Shagam

it was announced by Jacob Liechtman, President. Mr. Shagam was formerly Assistant Vice-President of **Chemical Bank New York Trust Company, New York,** with which he had been associated since 1937.

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Albert C. Bossert and Joseph J. O'Brien have been appointed Vice-Presidents in the trust department of the **Chase Manhattan Bank, New York,** David Rockefeller, President announced May 2, 1961.

Mr. Bossert, who joined the bank in 1923, has been associated with trust operations since 1933 and now heads the division. Appointed an Assistant Treasurer in 1951, he was promoted to Assistant Vice-President in 1957.

Mr. O'Brien heads the corporate and agency operations division of the trust department. He has been associated with the department since he joined the bank in 1929. He was named an Assistant Treasurer in 1953 and an Assistant Vice-President in 1957.

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Howard C. Sheperd, former Chairman of **First National City Bank, New York,** has been appointed to the bank's Trust Advisory Board.

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Henry J. Taylor, has been elected Co-Chairman of the Upper Midtown Area Advisory Board of **Chemical Bank New York Trust Company, New York.** Mr. Taylor will serve with Roy W. Howard, who is Chairman of this Advisory Board. Mr. Taylor had been associated with Chemical Bank New York Trust Company on its advisory board from 1941 until 1957 when he resigned upon his appointment as Ambassador to Switzerland.

The bank on May 1 opened a new banking office in the Holiday Park Shopping Center in Massapequa at the corner of Jerusalem Avenue.

George J. Klopfer, is Manager. Edward F. Gordon is his Assistant. Chemical New York's Metropolitan office system is in charge of John L. Gibbons, Executive Vice-President.

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The Hanover Bank, New York, opened a new branch office at 350 Park Avenue, May 1, marking the bank's initial move into its 30-story uptown headquarters building, now nearing completion.

At the same time, Hanover temporarily moved the staff of its Plaza Office, Fifth Avenue and 60th Street, to the Park Avenue location. The Plaza branch will reopen at the Fifth Avenue address as soon as new quarters are ready.

Thomas H. Bennett, Vice-President, will be in charge of the 350 Park Avenue office.

Hanover expects to move its personal trust division to the uptown headquarters building in late May. The bank's city and out-of-town divisions and related departments are scheduled to move to Park Avenue in early June.

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Mr. Howard Caswell Smith, 90, has resigned, after 66 years, from his post as Trustee of the **Franklin Savings Bank, New York.** He is an Honorary Trustee of the **Bank of New York** as well.

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The merger of the **State Bank of Newfane, Newfane, N. Y.,** into the **Manufacturers and Traders Trust Company, Buffalo, N. Y.,** was disapproved by the State Banking Department.

* * *

The stockholders of the **Killington Bank & Trust Company, Rutland, Vt.,** and the **Vermont Bank & Trust Company, Brattleboro, Vt.** will vote to merge the two institutions May 20.

The exchange ratio would be 1 11/60th shares of Vermont Bank and Trust stock for each share of Killington Bank and Trust stock. The resulting bank would have a total of approximately $40,000,000 in assets.

* * *

THE CONNECTICUT BANK AND TRUST COMPANY, HARTFORD, CONN.

	Apr. 12,'61 $	Dec. 30,'60 $
Total resources	428,416,119	465,731,956
Deposits	372,698,840	402,218,444
Cash and due from banks	77,936,685	125,995,109
U. S. Government security holdings	89,059,013	81,671,805
Loans & discounts	201,926,328	199,308,528
Undivided profits	8,908,235	8,234,301

* * *

THE FIRST NATIONAL BANK OF PASSAIC, NEW JERSEY

	Apr. 12,'61 $	Dec. 31,'60 $
Total resources	235,483,668	244,938,439
Deposits	212,620,134	223,034,892
Cash and due from banks	33,868,880	37,551,018
U. S. Government security holdings	42,399,003	45,653,430
Loans & discounts	120,863,162	127,446,836
Undivided profits	4,500,652	4,094,592

* * *

By a stock dividend, the **Keansburg-Middletown National Bank, Middletown, N. J.,** has increased its common capital stock from $300,000 to $450,000, and from $450,000 to $500,000 by the sale of new stock, effective April 21. (Number of shares outstanding 5,000 shares, par value $100).

Frank T. Sturek has been appointed Investment Officer and John P. Woods has been named Assistant Secretary in the Trust Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**

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Thomas J. Murray, Jr. has been named Manager of the Van Aken-Warrensville office of **National City Bank of Cleveland, Ohio.**

* * *

The **National Manufacturers Bank of Neenah, Wis.,** will become the newest member of the **Marine Corporation, Milwaukee** bank holding company.

The directors of the **National Manufacturers Bank** have voted to exchange stock of the bank on the basis of one share for 9/10th share of Marine Corporation stock and have agreed to recommend exchange to all other stockholders.

The Marine Corporation group of banks presently includes the **Marine National Exchange Bank** and the **Capitol Marine Bank, Milwaukee;** the **South Milwaukee Marine Bank,** the **Cudahy Marine Bank,** the **Waukesha County Marine Bank,** with offices in Pewaukee, Brookfield and Merton and the **Peoples Trust and Savings Bank in Green Bay.** The **Oak Creek Marine National Bank** is in the process of organization and is expected to open for business this summer or early fall. Total assets of the group at Dec. 31, 1960, were approximately $280,000,000. An application to acquire the **Wisconsin State Bank of Milwaukee** is presently pending before the Federal Reserve Board.

The exchange proposal is subject to the approval of the Federal Reserve Board and the stockholders of both the bank and corporation which are cooperating in an effort to secure approval at the earliest possible date.

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The First National Bank and Trust Co. of Fargo, Fargo, N. C., has increased its common capital stock from $600,000 to $1,200,000, by a stock dividend, effective April 21. (Number of shares outstanding 12,000 shares, par value $100).

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The Board of Directors of **The City National Bank & Trust Co. of Kansas City, Mo.,** announce the appointment of William Miller to the position of Assistant Vice-President effective the 1st of April.

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A charter has been issued to the **Citizens National Bank of San Antonio, San Antonio, Bexar County, Texas.** Henry P. James is its President and Alton R. Hays is its Cashier. It has a total of $600,000 in surplus and capital.

* * *

R. Olaf Hambro, 75, Chairman of the **Hambros Bank, Ltd.,** for 20 years, died April 25.

In 1908 Mr. Hambros joined **C. J. Hambro & Son.** When C. J. Hambro & Son merged with the **British Bank of Northern Commerce,** in 1920, it became known as the **Hambros Bank.** After World War I Mr. Hambro became Managing Director of the bank.

McDonnell Names Five V.-Ps.

McDonnell & Co. Incorporated, 120 Broadway, New York City, members of the New York Stock Exchange, has elected John P. Garvey, Leon H. Grayson, Clinton G. Hough, Roland Seidler, Jr. and Walter A. Yancey Vice-Presidents of the firm. Mr. Grayson and Mr. Seidler will make their headquarters in the firm's Los Angeles office, 510 South Spring Street. Mr. Hough will be located in the Asbury Park office, in the Berkeley Carteret Hotel.

Goodbody & Co. 70th Anniversary

Goodbody & Co., one of the nation's largest and most respected investment firms marked its seventieth birthday May 1.

When the firm opened for business as Robert Goodbody & Co. on May 1, 1891, it had three partners and three clerks in one small office with one telephone. Goodbody & Co. now employs nearly 1,500 persons and occupies 75,000 square feet at the home office, 2 Broadway, New York, and has 44 branch offices in 41 cities throughout the U. S.

Goodbody & Co.'s headquarters at 2 Broadway is a far cry from the one room office in which Robert Goodbody set up shop in 1891. Here the most advanced automatic equipment and operating techniques in the investment field, from closed circuit television to a full-scale electronic computer, are utilized to speed Goodbody services to its customers. Orders placed in cities across the U. S. are immediately transmitted to New York over direct telephone and teletype lines, transactions are completed and confirmations put into the mail in a matter of hours.

Robert Goodbody was the grandfather of Harold P. Goodbody, present managing partner of the firm and the great grandfather of James B. Goodbody, who two years ago became the fourth generation of Goodbodys to become a partner in the firm.

Robert Goodbody was no stranger to the brokerage business when he formed the partnership of Robert Goodbody & Co. (The name was changed to Goodbody & Co. in 1914.) Nineteen years earlier, at the age of 22, he had organized Goodbody & Webb, a brokerage firm in Dublin, which is still in business. On his arrival in the U. S. in 1885 he formed Goodbody, Glyn & Dow. When Charles H. Dow withdrew in 1891 to devote his full time to the *Wall Street Journal,* Robert Goodbody & Co. came into being.

The firm prospered from the outset and today is one of the largest and most successful in the country.

Goodbody & Co.'s oldest employee in length of service is James L. Maher who has been with the firm since Aug. 19, 1918. His reminiscences are a chronicle of Wall Street over the last 40-odd years. In 1918, Mr. Maher was one of Goodbody's 50 employees; today the company employs nearly 1,500. At that time there was no clearing house and deliveries were made daily to all brokers and certificates had to be signed personally by one of the partners. Of course only about 50 certificates changed hands on an average day. A 100 certificate day was a really big day.

Generally speaking, Mr. Maher says, the "Wall Street man" was different when he was starting in the business. Members of the exchange were usually older than they are today; sports clothes were strictly taboo in Wall Street offices and the Wall Streeter was recognizable by the way he was dressed — notably by his derby and winged collar.

Just about the time Mr. Maher joined Goodbody & Co. the firm was in the midst of a program of expansion and was opening branch offices in various areas of the U. S.

In 1914 the first major acquisition was made; the following year Goodbody opened its first member correspondent account; the business of another firm was acquired in 1917 and Goodbody's research department working as an integrated unit published its first *Monthly Letter.* In 1918, the main office was moved to 115 Broadway from its original headquarters at 30 Broad Street, and in September, 1959, moved to its present, modern quarters at 2 Broadway.

Goodbody & Co.'s *Monthly Letter,* was something new in 1917, but even this had a predecessor. Back in the Goodbody Glyn & Dow days when there was little available information about securities other than railroads, the firm kept a complete file of railroad reports and maintained an accurate daily chart of 20 railroad securities. Because of the firm's continuing close association with Charles H. Dow even after he moved to the *Wall Street Journal,* these probably were the beginning of the present Dow-Jones averages.

By 1925 Goodbody & Co. had opened additional branch offices including one in midtown New York. Additional correspondent accounts were acquired at the same time.

The Commodity Department was firmly established in 1939 with the acquisition of the old established commodity firm of Hubbard Bros. & Co. having offices in Atlanta, Charlotte, Dallas, and Memphis.

Goodbody & Co. has kept pace with the expansion of the American economy. Today the company has 22 general partners to handle the business of thousands of customers.

Stephenson Now With Paribas Corp.

Paribas Corporation, 40 Wall Street, New York City, the New York investment banking subsidiary of The Banque de Paris et des Pays-Bas, has appointed Edwin A. Stephenson manager of its municipal bond department, it was announced by Robert H. Craft, President.

A specialist in securities work, Mr. Stephenson was affiliated with The Chase Manhattan Bank from 1928 to 1961. He was in charge of the bank's correspondent office in Chicago from 1946 until it closed in 1957. Returning to Chase Manhattan Bank's head office in New York, he became Assistant Vice-President in the bond department.

With Draper, Sears

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Paul R. Ferverda has become associated with Draper, Sears & Co., 50 Congress St., members of the New York and Boston Stock Exchanges.

Godfrey, Hamilton Branch

JENKINTOWN, Pa. — Godfrey, Hamilton, Magnus & Co., Incorporated, has opened a branch office at York Road and West Ave., under the management of John L. Alliger.

MUTUAL FUNDS

BY ROBERT E. RICH

The Philadelphia Story

Philadelphia Fund, which uses as its symbol Independence Hall, is one of the older funds. Its advisor is Fahnestock Management Corp., whose parent, Fahnestock & Co., has been a fixture of the investment community since 1881.

Begun by a small group of influential businessmen, who pooled some $200,000 in 1923, Philadelphia Fund has grown today to more than 15,000 shareholders. When the fund was launched there were no meaningful regulations, but the members operated pretty much as the typical fund does nowadays. In 1929, hit by the Great Crash, net asset value fell to $5.49 a share, a relatively negligible slide from the $7.82 at the close of 1928. And even in 1929 it managed to pay a dividend of $1.01 a share.

In 1952, Fahnestock & Co. accepted responsibility for the fund's management. In that year the net assets were some $600,000. Growth was steady but slow in the first few years under the new management. The reason: Fahnestock had set out to change the fund from a balanced one to a fully-managed concept whose main objective was long-term growth of capital and income. During this planning period, Fahnestock knew it must decide on the best merchandising approach available to present the fund properly to the investing public.

Therefore in 1957 the services of Thomas J. Flaherty, a born salesman, were secured to head up a new program called Universal Programs Inc. This corporation became the national distributor of Philadelphia Fund. Over at Fahnestock there is a tendency to give a major share of the credit to young Flaherty. John J. Smith, a Fahnestock partner and a director of Universal Programs, has only praise for the imaginative selling and merchandising of Flaherty, who is 36.

The fund has grown from $4,000,000, when Flaherty came on the scene in 1957, to over $21,000,000 today. There is another $59,000,000 pledged through Universal Programs, headed by Flaherty. Sales run $3,000,000 a month.

Tom Flaherty left the insurance business in Arizona to come East and move into the fund field. He admits to a first year of intensive work with small profit, but the past three years have confirmed his vision of a stimulating, challenging and profitable venture. Says he: "For any young man, there is no more fertile field than mutual funds. There is a shortage of qualified young men. I'm looking for men right now. The rewards are handsome."

As part of the Universal Programs merchandising activities, a color film strip with accompanying audio background has been introduced. Called "Pay Yourself," it covers the most important aspects of a mutual fund investing program with a running time of 13 minutes.

The film makes clear how a fund works. It stresses advantages of a long-term fund investment in simple easy-to-understand terms. It covers diversification of investment, constant supervision and full-time professional management, and participation in the growth of the American economy. Also incorporated are such features as sound financial planning, cost of college education, retirement income, creating an estate for dependents, providing for old age and safeguarding or protecting against inflationary living costs.

Sales personnel of fund organizations have at times been subject to criticism. As in any business, some of these criticisms are justified. There have been charges of misrepresentation, which could be the result of inadequate sales training or ignorance of proper selling techniques. It has been pointed out that certain points of sales presentations have not been fully emphasized, sometimes leaving the client with a confused sense of what has been purchased.

Conversely, a greater percentage of these criticisms is not justifiable. Many individuals feel they should be getting rich much faster, prompting them to blame the salesman. Although the fund may be showing excellent growth in share values, they have been known to look with envy on a neighbor who has speculated on his own and garnered quick paper profits.

It is the salesman's job to be sure that the purchaser of a program is fully aware of the long-term growth and the time element necessary to reap the full benefit of a sound investment. A salesman often is accused of misrepresentation, as a result, when actually it is a clear case of misunderstanding on the part of a client.

Flaherty feels that this problem can be minimized by utilizing a system which is designed to make uniform the approach and presentation of all salesmen selling the Philadelphia Fund, or any fund. Members of his selling group, who operate throughout the United States, are equipped with this movie projector and film that tells Mr. and Mrs. America why they need an investment program.

The film projector, which fits into an attache case, can be set up in any home or office. What the viewer sees is a "no-nonsense approach" to the business of investing. Not only does this make for proper presentation but it avoids misrepresentation and the "get-rich-quick" lure. The film tries to impart that one of the first things a family should do with income is set aside a definite portion to be put to work through a mutual fund. "If they choose the Philadelphia Fund, so much the better," says Tom Flaherty, "but the important thing, in the long run, is that they are properly introduced as to what a mutual fund is and its advantages."

The Funds Report

The Commonwealth Group of Mutual Funds has passed the $200,000,000 level in total net assets, shareholders at the annual meeting of North American Investment Corp., parent organization of the Commonwealth Group, were informed. Assets of the Commonwealth Group totaled $205,107,595 on March 31, compared with $177,073,984 a year earlier, Chairman S. Waldo Coleman told the meeting.

All three of the established Commonwealth Funds—Commonwealth Investment Co., Commonwealth Stock Fund and Commonwealth Income Fund — shared in the increases in total assets, in net asset value per share and in number of shares outstanding, Coleman said.

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Combined assets of **Eaton & Howard Funds** now exceed $400,000,000 for the first time in the history of the two funds. Quarterly reports dated March 31 show Eaton & Howard Stock Fund with assets of $187,717,702 and Eaton & Howard Balanced Fund with assets of $213,363,006. The total of $401,080,708 compares with $349,436,718 a year ago.

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Eaton & Howard Stock Fund asset value per share was $13.73 on March 31, a record high for any quarterly report date. Adjusted for the December capital gains distribution of 15 cents, the per share value would be $13.88, compared with $11.66 a year ago, an increase of 19%. The report shows 89.7% of the fund invested in common stocks compared with 86.3% a year ago. The largest common stock holdings by industries were insurance, power and light, oil, natural gas and chemical.

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Eaton & Howard Balanced Fund asset value per share was $12.22 on March 31, also a record high for any quarterly report date. Adjusted for the December capital gains distribution of 15 cents, the per share value would be $12.37, compared with $11.09 a year ago, an increase of 11%. The report shows 65.3% of the fund invested in common stocks, 11.9% in preferred stocks, 9.1% in corporate bonds and 13.7% in U. S. Governments, short-term notes and cash. Largest common stock holdings by industries were power and light, oil, insurance, banking and natural gas.

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Fund Research & Management Inc., sponsor and management company for Pioneer Fund, has become principal underwriter for New England Fund, a fully managed, balanced fund. Like Pioneer Fund, the New England Fund is among the oldest mutual funds, having been founded in 1931. Pioneer was originated in 1928.

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Fundamental Investors Inc. puts net assets at March 31 at $672,937,010, or $10.17 per share, compared with $554,549,915 and $8.83 a share a year earlier.

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Growth Capital Inc., Cleveland small business investment corporation, reports earnings for the first fiscal year, a 10-month period, ending March 31, of $323,197, or 60 cents per share, before provisions for loss reserves. This includes $29,326 of long-term capital gain. After deducting loss reserves of $233,840, net earnings were $89,357. Earnings after reserves for the first six months were $18,460.

The decision to end the first fiscal year on March 31 after only 10 months of operation was made to meet requirements of the Small Business Administration for financial statements as of March 31. Consequently a profit of $220,000 made on April 13 from the sale of 20,000 shares of Mansfield Industries common stock through a public offering is not reflected in the March 31 financial statements.

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"The value of a share of **Imperial Fund** increased 40% during the quarter ending March 30, 1961," President Albert M. Sheldon told the shareholders in a quarterly report. Net worth at the end of the quarter was $8,253,292, or $12.04 per share, compared with $3,484,588, or $8.61 per share, at the beginning of the quarter. Net worth of the fund one year ago was $1,616,848, or $7.96 per share.

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Massachusetts Life Fund reports that at March 31 net assets amounted to $70,382,957. This is equal to $22.65 a share, up from the $21.06 at the end of 1960. Common stocks bought during the initial quarter of this year include American Express, Arkansas-Louisiana Gas, Beneficial Finance, International Telephone & Telegraph, Rexal Drug & Chemical, Singer Manufacturing, United Aircraft, Warner-Lambert Pharmaceutical. Over the same span it liquidated holdings in International Paper and Kimberly-Clark.

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Record sales of $32,861,000 were produced by **B. C. Morton & Co.**'s 83 offices during the quarter ended March 31, it was reported by Morton W. Goldberg, Chairman of the nationally-represented investment group. At the same time, he announced that, due to rapidly rising sales volume, the Boston company's home office would be moved to larger quarters next summer.

Dealers in mutual funds, insured savings, bank time deposits and realty syndication, the firm's first-quarter volume bettered by 59.5% the previous quarterly total of $20,607,000, and was 17.7% above the $27,919,000 of last year's opening period.

During the recent quarter, B. C. Morton opened 17 regional and resident offices and is now represented in some 40 states and several foreign nations, Goldberg disclosed.

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A new high in total net assets was scored by **Nation-Wide Securities Co.** on March 31, according to the report for the first six months of its current fiscal year. On that date, total net assets were $40,379,154, compared with $33,804,089 at Sept. 30, 1960. Net asset value per share rose from $18.95 at the end of the previous fiscal year to $22.10 at March 31, 1961.

Only 59% of the assets on March 31 were represented by common stocks, the remainder consisting of preferred stocks and corporate and U. S. Government bonds.

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At March 31 net asset value of **New York Capital Fund Ltd.** was \$22,158,601, equal to \$15.69 a share, against \$13.68 a share at the end of 1960.

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Over - The - Counter Securities Fund Inc. reports these new additions to its portfolio: Swingline, Cook Electric, Agrow Seed, Strouse, Avery Adhesive Products, Admiral Benbow Inn, Nease Chemical, Wiser Oil, Ott Chemical, Kerr Manufacturing, School Pictures, Oglebay Norton, Mother's Cookie and Tensor Electric Development.

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Selected American Shares reports total net assets at March 31 were \$114,857,283, up from \$103,094,026 at the end of 1960 and \$95,991,194 at March 31, 1960. Net asset value a share at latest report was \$10.07, against \$9.21 at Dec. 31, and \$8.79 a year earlier.

New additions in the latest quarter included Aetna Life Insurance, Allegheny Ludlum Steel, American Metal Climax, American Potash & Chemical, Coca-Cola, Ingersoll Rand, Johns-Manville, Marquette Cement, H. W. Sams, Socony Mobil, Southern Co. and United Aircraft. Major increases in previous holdings included Boeing, Jones & Laughlin, Paramount Pictures, Pepsi-Cola, Republic Steel, Standard Oil of Indiana, Sunray Mid-Continent Oil and Youngstown Sheet & Tube.

Among stocks eliminated were American Cyanamid, Baltimore & Ohio, Chesapeake & Ohio, Container Corp., Dow Chemical, Sperry Rand and Union Carbide. There were decreases in holdings of Ford Motor Co., General Electric, Olin Mathieson, Owens-Corning Fiberglas, Parke, Davis and Radio Corp. of America.

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Shareholders' Trust of Boston reported new records in virtually every phase of its operation for the quarter ending March 31. Total net assets of \$53,133,538, an all-time high, reflect an increase of 14.7% for the quarter and 32.5% compared to the same date a year previous. Net asset value per share of \$11.68 represented an increase of 7.7% for the quarter and 11.8% for the year, after adjusting for the capital gains distribution of 44 cents per share paid to shareholders on Jan. 30, 1961. The 4,549,566 shares outstanding represent an increase of 6.5% in the quarter and 23.1% in the past 12 months.

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Shares In American Industry Inc. reports that at March 31 net assets were \$1,130,988, up 271% in the three-month span. Asset value per share rose to \$15.36 from \$11.04 at the close of 1960.

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Wisconsin Fund Inc. reached new records in net assets, number of shareholders and shares outstanding during the first quarter of 1961, shareholders were told. Total net assets were \$19,153,560, or \$7.13 per share, as of March 31. This compares with \$6.50 on Dec. 31 and \$5.85 a year ago. Shares outstanding rose to a new high of 2,684,638, and the number of shareholders was also at a peak 6,775.

The fund is almost fully invested (95.3%) in common stocks or other equity type securities, said Harold W. Story, President.

R. G. Brewer Now With Glore, Forgan & Co.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—R. Glen Brewer has become associated with Glore, Forgan & Co., 510 South Spring Street. Mr. Brewer was formerly Santa Monica Manager for Paine, Webber, Jackson & Curtis.

Nippon T. & T. Bonds Offered

A total of \$20,000,000 of Nippon Telegraph & Telephone Public Corp. dollar bonds, unconditionally guaranteed as to payment of principal and interest by Japan, were publicly offered on May 3.

The \$20,000,000 guaranteed Telegraph and Telephone dollar bonds consist of \$15,000,000 of 6% bonds due 1976, priced at 95½%, which are being underwritten by a group headed by Dillon, Read & Co. Inc., The First Boston Corp. and Smith, Barney & Co.; and \$1,600,000 of 5% bonds due 1964, \$1,700,000 of 5⅛% bonds due 1965 and \$1,700,000 of 5¼% bonds due 1966, which are priced at 100%. The bonds maturing in 1964, 1965, and 1966 are being offered by the corporation through Dillon, Read & Co. Inc., The First Boston Corp. and Smith, Barney & Co., acting as offering agents for the corporation.

Proceeds from the sale of the bonds will be converted into yen and will be used primarily for additions, extensions, and improvements to the corporation's telephone facilities. The corporation has made large expenditures annually for the construction of new facilities and modernization of existing facilities in an attempt to meet increasing demand and to improve the efficiency of its services. Nippon Telegraph & Telephone's current budget calls for construction expenditures of approximately the equivalent of \$482,000,000 for the fiscal year ending March 31, 1962.

Nippon Telegraph & Telephone Public Corp. was formed in 1952 to take over from the government the furnishing of public telephone, telegraph and related communication services in Japan and is the only company furnishing such services in Japan. It is wholly-owned by the government and control of its business and financial activities is exercised by various governmental bodies, with principal supervision by the Minister of Posts and Telecommunications.

The corporation's operations are concerned primarily with the providing of telephone services and by far the largest portion of its operating revenues are derived from these services. Operating revenues, which totaled the equivalent of \$342,000,000 for the fiscal year ended March 31, 1956, increased to \$565,000,000 for the fiscal year ended March 31, 1960.

The 6% bonds due 1976 will not be redeemable prior to April 15, 1971, except for semi-annual sinking fund payments of \$150,000 from Oct. 15, 1962 to and including April 15, 1966 and \$600,000 thereafter to and including Oct. 15, 1975, calculated to retire 84% of the issue prior to maturity. The sinking fund redemption price is 100%. After April 15, 1971, the 6% bonds due 1976 will be redeemable at the option of the company at the principal amount thereof.

Fiscal Agent for Gov't. Banks Moves

John T. Knox, Fiscal Agent for the Twelve Federal Land Banks, Twelve Federal Intermediate Credit Banks and Thirteen Banks for Cooperatives, announced on May 1 the removal of his office to new and larger quarters in Chase Manhattan Bank's Building at One Chase Manhattan Plaza. Headquarters of the Banks in New York were formerly located at 130 William Street.

Mr. Knox has held the post of Fiscal Agent of the banks for six years and has been with the banks for 26 years. He has also had experience in the investment banking field.

LETTER TO THE EDITOR:

San Francisco Reader Scores Federal Debt Trend

Mr. Belt agrees with Philip Cortney's observation that we have unduly monetized private and public debt in calling for a halt to "public and private extravagance and profligacy."

Editor, Commercial and Financial Chronicle:

May I congratulate you for the publication in your April 6 issue of that very fine letter from Philip Cortney on the "Gold Standard."

It really is deserving of greater "front page" publicity.

As I read it carefully, I am fearful that the vast majority of business men have not the proper and a clear conception of the meaning of his expression to the effect that "the monetizing of government bonds and private credit already has destroyed the normal relationship between the stock of gold and its annual production and the price level, wages, bank notes and credit."

Also, I am equally fearful of Chairman Walter W. Heller's prediction of a GNP potential in 1970 of \$755, \$792 and \$871 billion if the Administration will only achieve a growth of 3.5%, 4.0% or 5.0% annually. Such forced growth by the continuation of Federal deficits can only mean greater and greater depreciation in the purchasing and debt-paying value of our dollars.

Personally, I am prone to accept former Budget Director Maurice H. Stans' prediction that we are pointing toward a Federal budget of \$160 billion in 1970 if not sooner. Also, he advised last year that our interest-bearing national debt of \$285 billion exceeds the combined debt of 67 other free world nations by about \$90 billion—see enclosure.

Aren't we really in a very precarious monetary predicament? How much longer can we keep up this public and private extravagance and profligacy?

Cordially yours,
HALLER BELT
1632 Taylor Street
San Francisco 11, Calif.

F. W. Craigie Co. Admits Craigie Jr.

RICHMOND, Va.—F. W. Craigie & Co., 616 East Main Street, has admitted Walter W. Craigie, Jr. to general partnership in the firm.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

As expected, the Treasury offered short-term obligations, namely, a 3% certificate in the amount of about $5,250,000,000 and a two-year 3¼% note to approximate $2,500,000,000 to the public in its refunding operation to provide for the May 15 maturities of the 4⅜% certificate and 3⅝% notes. (Of the maturing debt, about $4,665,000,000 is held by private investors.) It was also indicated by the Treasury they would accept oversubscription from non-Federal buyers of the $4,665,000,000 refunding issues to a modest extent of about 10% or approximately $466 million. A successful venture is indicated, with the 3¼% note likely to be the more favored issue.

In addition, it was announced that the need for new money by the Treasury during May and June could amount to roughly $1.5 billion, which would have to be picked up in the market. The new 1960-1961 period starting on July 1, will also entail important new money raising operations since tax revenues are much smaller in the first half of the fiscal year. It is expected that the Treasury will also obtain these funds from short-term borrowings.

Temporary Home

The demand for short-term obligations is very strong because funds seeking a temporary haven are being invested in near maturity government securities. In addition to the regular flow of money into the most liquid Treasury issues, there are new and additional commitments being made in these obligations for foreign accounts and by corporations and, in some instances, municipalities. The latter two buyers are thus employing the proceeds from the sale of their own securities.

It is evident that the funds which have been obtained from the sale of the non-Federal bonds and stocks cannot be put to work immediately and, as a result, this new money is being committed for a limited period of time in Treasury bills. This kind of investment has tended to create a sharp demand for short-term governments so that the yield on these obligations moved down.

Stemming the Tide?

There is, however, a level below which these near-term yields should not go because it could again bring about a movement of the so-called "hot funds" from here to other free world money centers. Evidently, in order to supply the money market with near-term issues, the Treasury last Monday borrowed $100 million of new cash in the form of 26-week bills. If the demand for short-term government obligations continues to be very strong, it would not be surprising if the Treasury would continue to furnish the money market with more short-term new money raising securities from time to time.

The refunding of the May 15 maturities supplied the money market with near-term issues and this operation was a continuation of the policy which has been in vogue since the new Administration took over at the start of the year. However, the replacement demand from the owners of the securities that were being paid off did not add very much to the floating supply of the short-term issue.

Intermediates in Favor

The intermediate-term obligations continue to move into the positions of investors in spite of the competition that is encountered from time to time from the purchases which are being made for market "nudging" purposes. There is no doubt but what the yields that are available in these obligations continue to attract funds, and there is growing evidence that the marketability of these securities is improving. A good deal of this is attributed to the trading market which has been developing in the recent past in the middle-term issues.

Also, sight should not be lost of the opinions which are around that "advance refunding" offers will be made for certain of these securities in the future.

Long Governments Not Neglected

The demand for the long-term Government bonds has been a bit on the expansive side, although there are no indications yet that there will be anything like a wholesale movement into these securities. Nonetheless, there are commitments being made by some non-Federal investors in the 3½s and 4s and 4¼s. The fact that the floating supply of these and the other distant maturities of Government bonds is limited has a tendency to move prices up fairly sharply when buyers come in for these issues.

The need to put funds to work still appears to favor the purchase of common stocks, although the return that is currently available in equities is considerably less in most cases than what can be obtained in bonds. A slowdown in the inflation and boom psychology would be very favorable to the bond market.

Effective Rate on Gov't New Bonds Can Exceed 4¼%

Treasury Secretary Douglas Dillon on April 27 announced that the Treasury has received an opinion from the Attorney General which confirms its authority to engage in advance refundings of government bonds where the new issue bears a coupon rate not exceeding 4¼%, even though the effective rate of interest under certain accounting procedures technically would exceed that figure.

The interest rate on government bonds is limited by law to not more than 4¼%. The legal question presented was whether selling or exchanging bonds at a discount which produces an effective rate above 4¼% violates a prohibition of the Congress.

It is not contemplated that bonds would be sold or exchanged in the near future under circumstances requiring application of this ruling. However, in view of recent Congressional and public interest, Secretary Dillon asked Attorney General Robert F. Kennedy on April 7 for the opinion so that if such an issue should ever become desirable the legal question would have been resolved.

Attorney General Robert F. Kennedy on April 25 delivered his opinion that the 4¼% "ceiling" applied only to the coupon rate placed on bonds, and that issuance of bonds below par as authorized by law does not "circumvent" any Congressional prohibition.

"The power to do so plainly exists," the Attorney General concluded, "and I cannot see anything inappropriate in exercising it if you believe that the circumstances require such action. I therefore answer your question in the affirmative."

Fabien Corp. Stock Offered

Goodbody & Co. announced on May 2 that an underwriting group headed by it and including Nugent & Igoe and Mitchell & Co. offered publicly 60,000 shares of Fabien Corp. common stock at $6.75 a share. The shares are being sold by stockholders. No proceeds of the sale will be received by the company.

Fabien Corp. incorporated in New Jersey in 1946, prints colored designs primarily on various types of synthetic materials including Arnel and nylon tricots supplied and owned by its customers. Offices and plant are located in Lodi, N. J.

For the fiscal year ended July 31, 1960, sales totalled $1,975,204 and net totalled $228,379 compared with sales of $1,716,284 and net of $197,144 for the like 1959 fiscal year. For the four months ended Nov. 30, 1960, sales of the company totalled $687,861 and net totalled $84,523, compared with sales of $680,919 and net of $79,078 for the four months ended Nov. 30, 1959.

The company's latest quarterly dividend, paid April 10, 1961 equalled 8 cents per share. In addition the company has paid a 5% stock dividend on the common stock in 1959 and 1960.

Capitalization of the company as of Jan. 31, 1961 includes no long term debt and 179,134 shares of common stock, par value $1.

$30 Million Bonds Of Los Angeles S. D. Marketed

Public offering of $30,000,000 Los Angeles, Calif. 3½% Unified School District bonds due 1962-1986 is being made by an underwriting group headed by Lehman Brothers; Harriman Ripley & Co., Incorporated and Halsey, Stuart & Co. Inc. at prices to yield 1.50% in 1962 to 3.60% in 1986.

The group bid 101.086% for the issue at competitive sale May 2, a net interest cost of 3.4165% to Los Angeles.

Among other members of the underwriting group are:

Weeden & Co.; Blair & Co. Inc.; Phelps, Fenn & Co.; Goldman, Sachs & Co.; Eastman Dillon, Union Securities & Co.; Shields & Company; Salomon Brothers & Hutzler; White, Weld & Co.; Paine, Webber, Jackson & Curtis; A. C. Allyn and Company, Incorporated; Stone & Webster Securities Corporation; B. J. Van Ingen & Co.

Meridian Elect. Stock All Sold

B. N. Rubin & Co., Inc. announced on May 4 that its public offering of 95,000 shares of Meridian Electronics, Inc. common stock at $3 per share has been oversubscribed and the books closed.

Meridian Electronics, a Virginia company, sells electronic parts and equipment directly to industrial users, educational institutions, branches of the Armed Forces and equipment manufacturers, and a line of radio and television parts and other electronic products to dealers and repair and service men.

During the 12-month period ended Jan. 31, 1961, sales to industrial users constituted approximately 55% of the company's volume and sales to service dealers were 32% of total volume.

For the year ended July 31, 1960, sales totaled $1,027,078 and net totaled $17,304. For the six months ended Jan. 31, 1961, sales totaled $528,188 and net totaled $20,637.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

El Paso Natural Gas Company

El Paso Natural Gas is one of the largest pipeline systems in the country, serving the Pacific Coast area and other far western states, as well as New Mexico, West Texas, and Arizona. One of its most important markets is in California where substantial amounts of gas are used for boiler fuel by utilities and industrial companies—with the demand increasing because gas produces less smog than oil. The company ties in with the Westcoast Transmission line at the Canadian border in Washington, from which it draws Canadian oil; it has a 19% interest in the company.

The important subsidiary, El Paso Natural Gas Products, is engaged in exploration and production, operation of necessary crude oil and products lines, refining and marketing; it is also in the petrochemical business and has initiated a substantial program of expansion into the plastics field. It had total assets at the end of 1960 of $145,000,000 revenues of $82,000,000 and net income of about $6,000,000. Other holdings of El Paso include a 19% interest in Western Natural Gas, 28% in Rare Metals Corp. of America, 66% in Northwest Production, and 21% in Tekoil.

In 1960, system revenues were composed as follows:

	%
Natural Gas Sales	77
Crude Oil & Refined Products	10
Gas Liquids	7
Petrochemicals	4
Miscellaneous	2
Total	100

Nonregulated activities accounted for about 18% of 1960 net income.

In 1960, the company produced 15% of its own pipeline gas requirements, an important source being residue gas produced in conjunction with oil. Directly owned gas reserves in January, 1961, were estimated at over 10 trillion cf. in the U. S. available to the pipeline system, and about 600 billion cf. in Canada. In addition, the company controlled some 27 trillion cf. under contract. The system's oil and gas interests range from western Canada to the Gulf of Mexico. At Dec. 31, 1960, leasehold interests totaled 2,545,514 net acres in the U. S. excluding offshore Louisiana, and 372,935 net acres in Canada, with 2,920 net gas wells and 342 net oil wells. A participation is also held in Venezuela.

The system has perhaps enjoyed the greatest percentage expansion of any American corporation. Revenues last year were $505 million compared with less than $40 million in 1950. The 1960 figure was well over double the 1956 amount. Thus the company's growth in the past four years has been at the annual compounded rate of nearly 24%.

Paul Kayser, Chairman and guiding force of the company, plans to continue this rapid expansion. The company is working with Colorado Interstate to furnish (under the so-called "Rock Springs Project") large additional amounts of gas to subsidiaries of Pacific Lighting, which retail gas to a large part of California. El Paso is also planning to obtain additional gas from Texas and deliver it to Pacific Gas & Electric if the FPC approves. It is also planning to import from Canada (in cooperation with Pacific Gas & Electric) some 150 million cf. per day of additional gas, with deliveries expected to commence late in 1961.

As Paul Kayser pointed out in a talk before the New York Society of Security Analysts in February, El Paso's market is the fastest growing area of the United States, the population of the Pacific Coast States having increased 40% in the past decade or more than twice as fast as the entire U. S. The same is virtually true of adjoining states served by the company. Mr. Kayser stated:

"Natural gas now supplies more than 40% of the energy used in the Western States, and the amount supplied by gas has substantially increased in the past ten years and is increasing steadily today. This is indicated in the growth of the load of the company serving Washington, Oregon, Idaho and part of Utah and Colorado. In 1957, this division, as the old Pacific Northwest Pipeline Corporation, sold an average of 337 million cubic feet per day; in 1958, 398 million; in 1959, 443 million; and in the year 1960, an average of 493 million."

Like other big pipeline systems, El Paso is heavily involved with the Federal Power Commission and the courts as to rate regulation, covering the operations of the past five years or more. At the end of 1960 some $277 million of past revenues represented increased rates placed in effect in 1955, 1958, 1959 and 1960, the amount being subject to possible refund to customers to the extent that any of the increases "may ultimately be found not justified by the Federal Power Commission." On the other hand, some $43 million of gas purchases represented producers' increased rates also subject to possible refund, affording a partial offset to the system's potential liability. Presumably income tax adjustments would cut these amounts about in half.

The company's principal rate case before the FPC is known as Docket G-4769, and final settlement of this case would doubtless form a pattern to decide the three other pending cases. The case was decided by the Commission in August, 1959, but was appealed to the Circuit Court of Appeals which ordered the Commission to "permit a fair return on the well-mouth investment and provide the incentive necessary to attract capital to the exploration and development activities of the company." The Commission is hopeful that under this instruction from the court they will be allowed at least 10% on the production rate base. The 1959 ruling allowed only the 8.61% on production rate base which was provided by tax benefits.

El Paso's share earnings have been irregular, but have increased from 93c in 1950 to $1.92 in 1960 (which, however, included 46c tax loss carry-forward of the merged Pacific Northwest Pipeline—a nonrecurring item). Earnings for 1961 have been estimated by Standard & Poor's at $1.60. On the latter basis, the stock at its recent price around 28 is selling at 17.5 times earnings. The dividend of $1.30 affords a yield of 4.7%.

Homer Fahrner Admits

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif.—Harry A. Snelbaker and Bruce E. Rueppel have been admitted to partnership with Homer Fahrner in Homer Fahrner & Co., 926 Jay Street Building.

THE SECURITY TRADERS ASSOCIATION OF NEW YORK, INC.

25TH ANNUAL DINNER:

WALDORF-ASTORIA • • • APRIL 21, 1961

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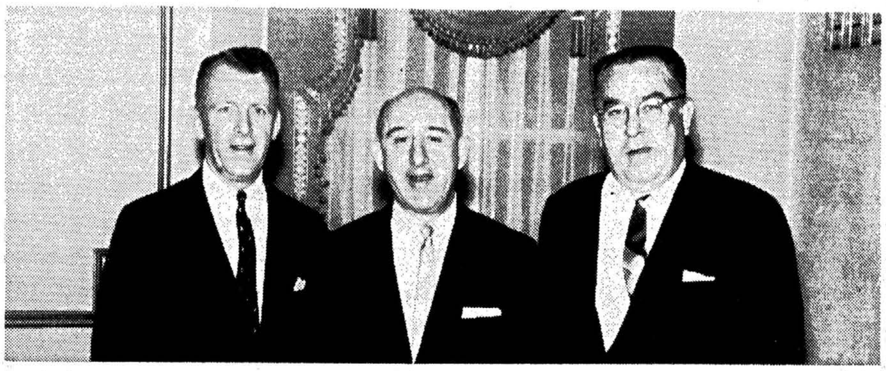

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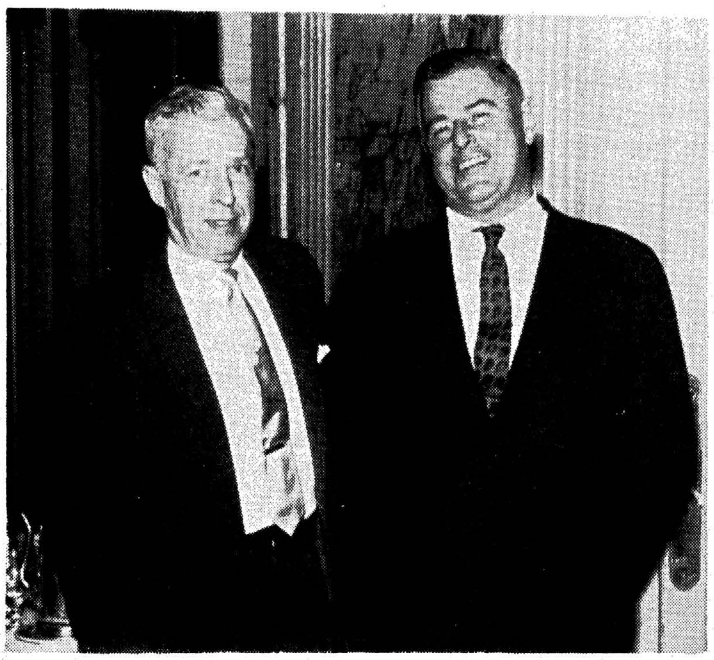

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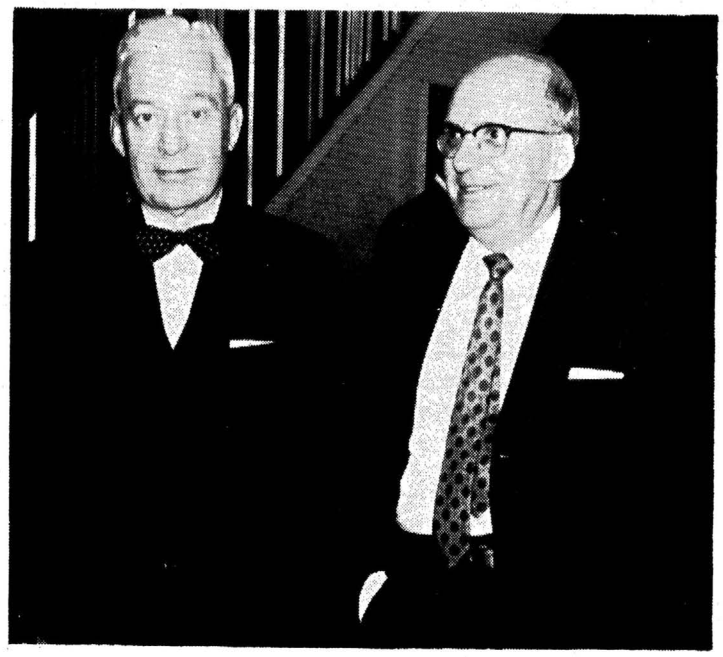

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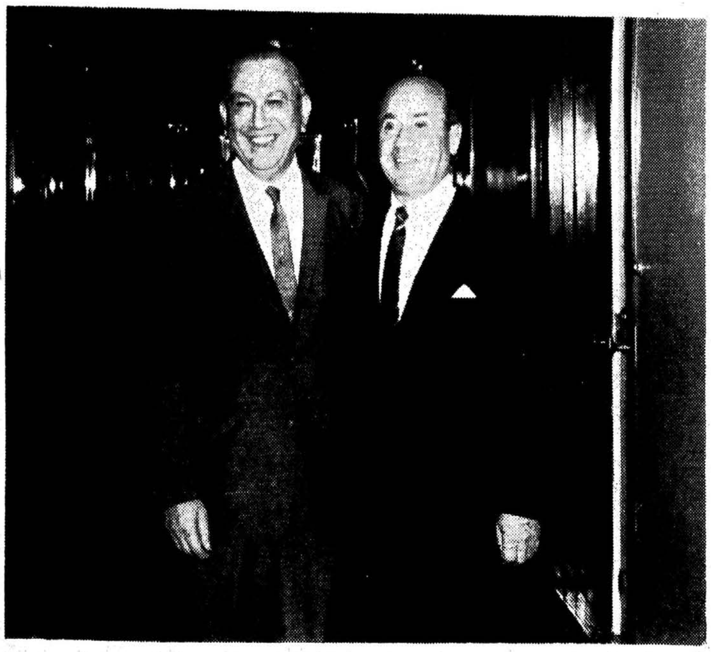

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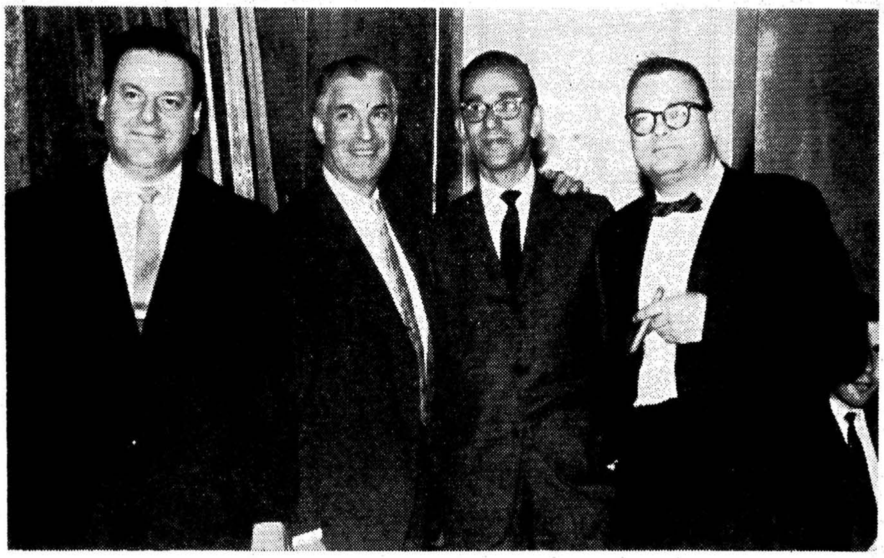

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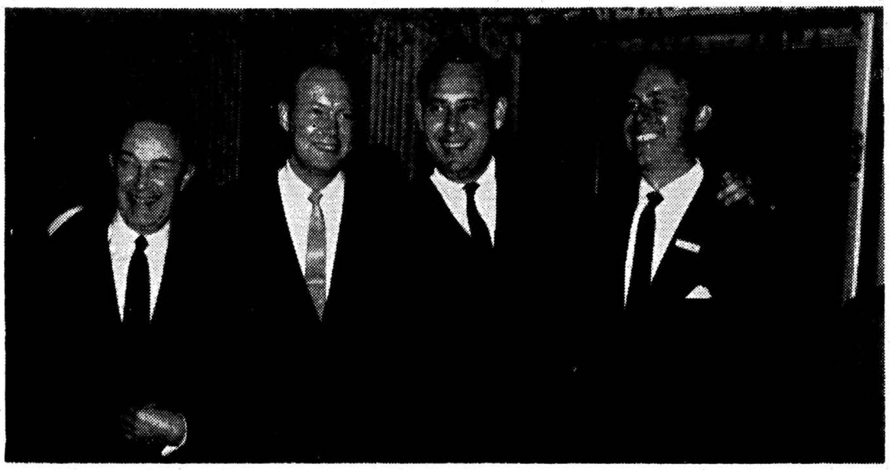

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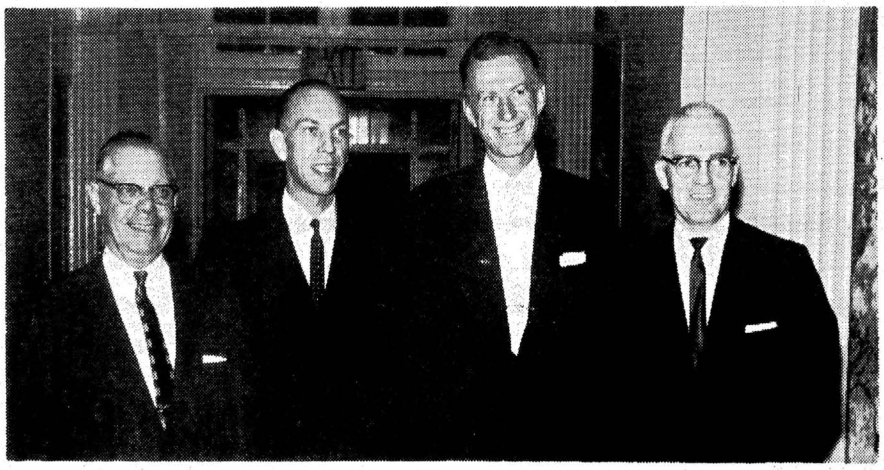

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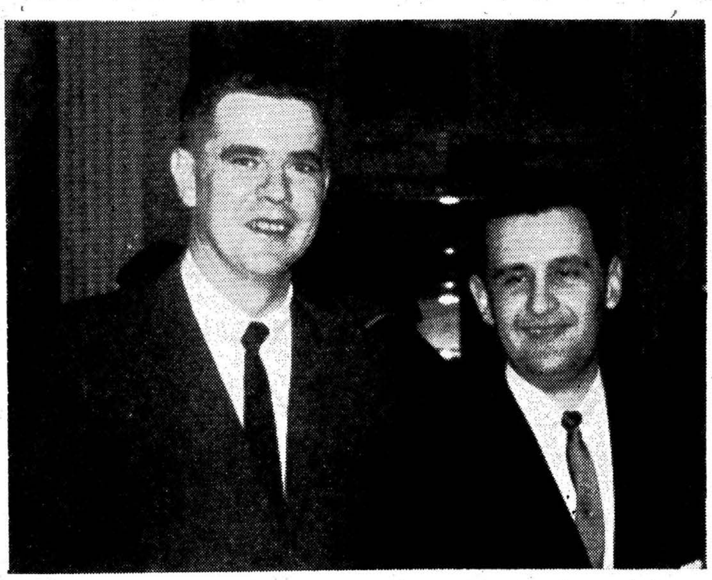
Duke Hunter, *Wellington Hunter Associates* (Jersey City, N. J.); Maurits Johnston, *G. H. Walker & Co.* (Bridgeport, Conn.); Abe Strauss, *Abraham Strauss & Son Inc.*; Chuck Moser, *Abraham Strauss & Son Inc.*; David Strauss, *Abraham Strauss & Son Inc.*



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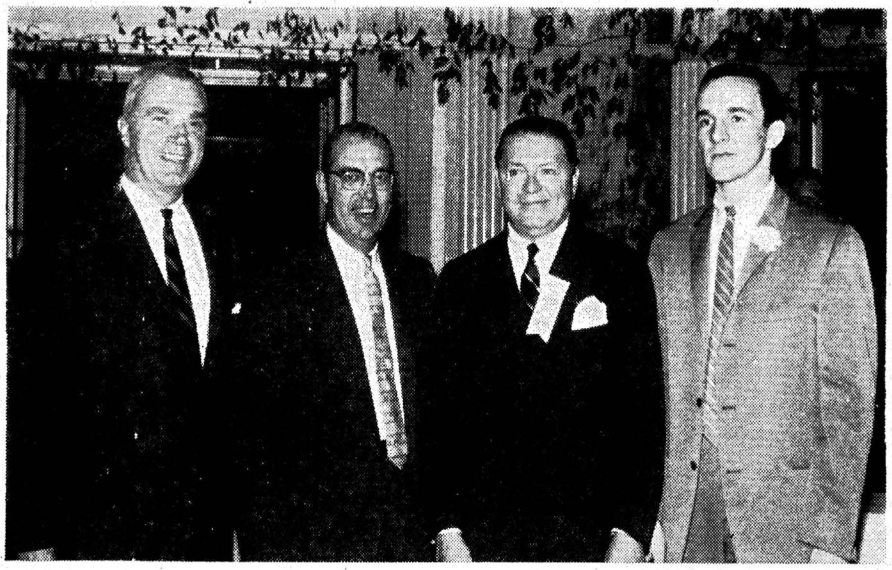

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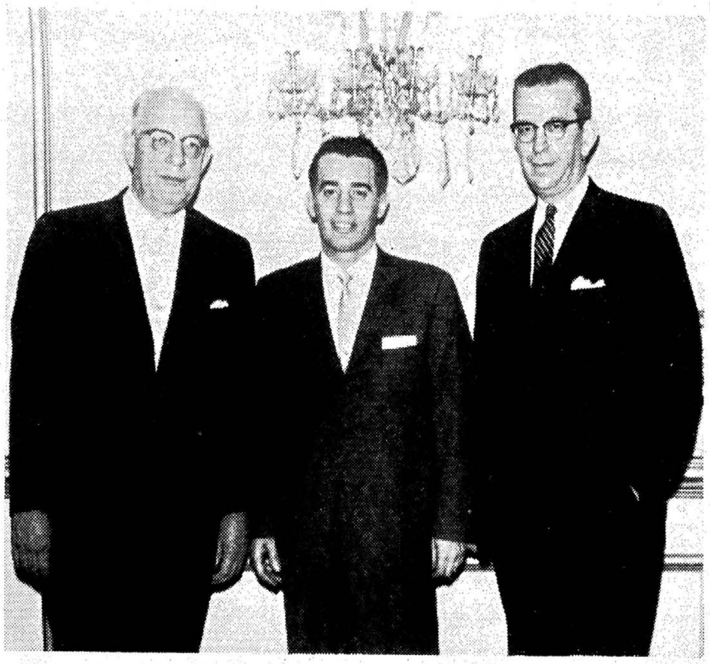

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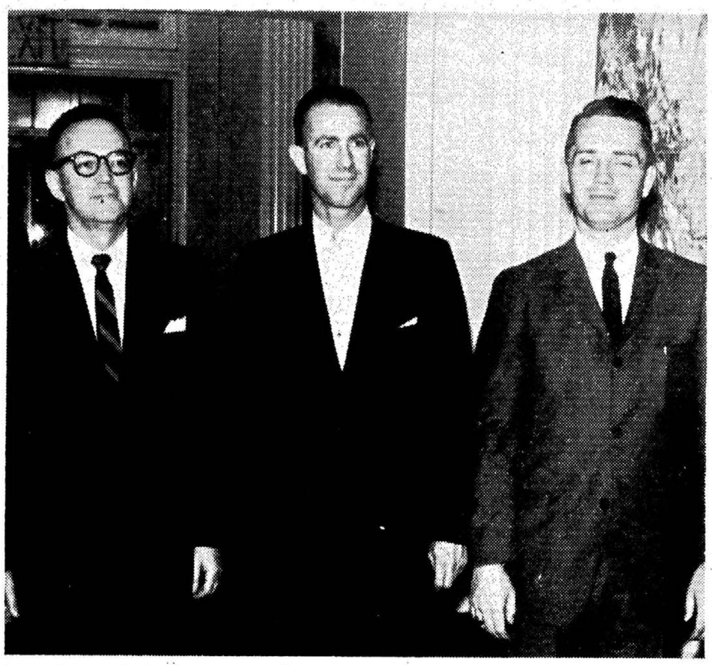

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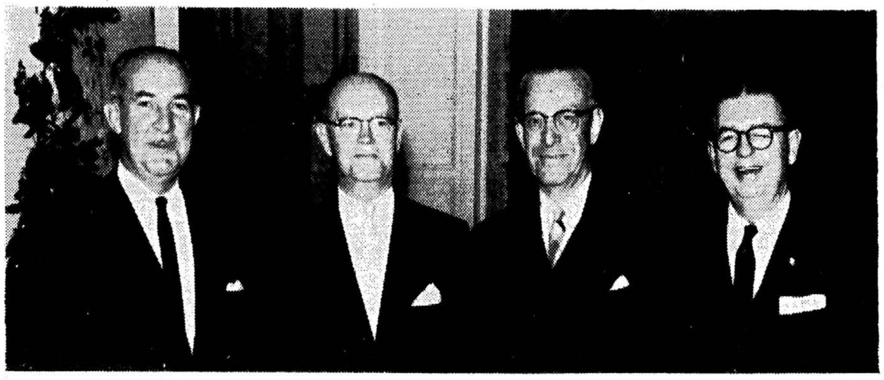

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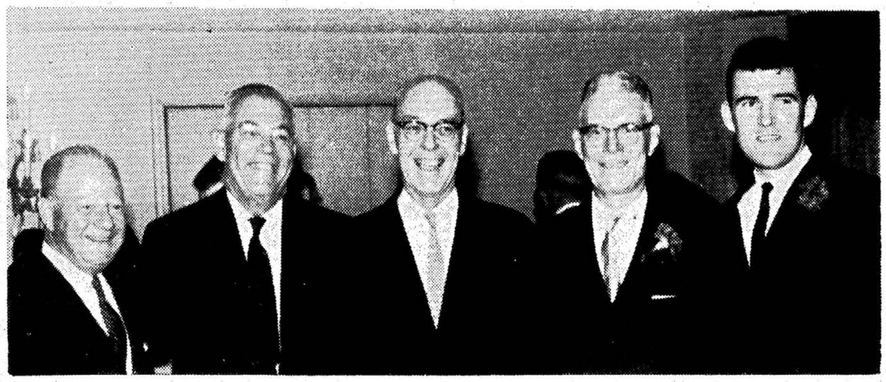

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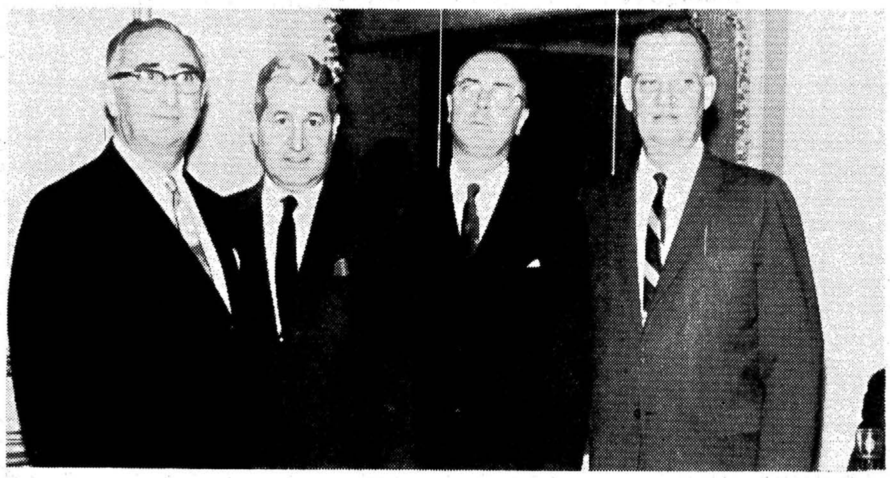

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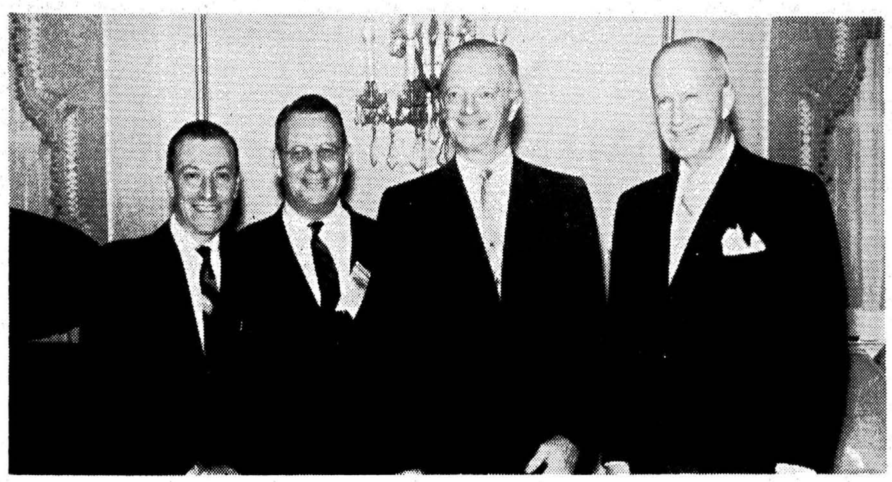

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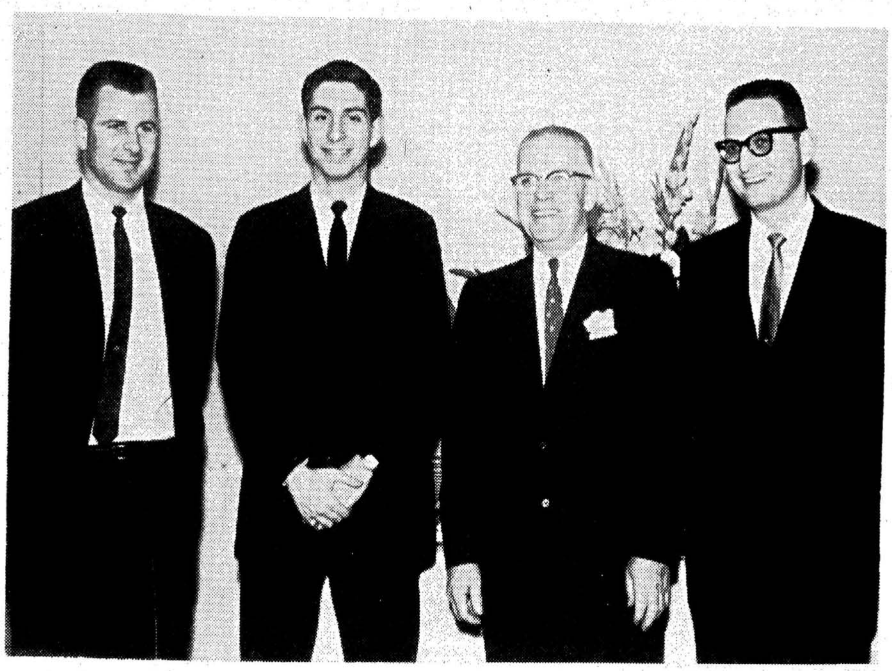

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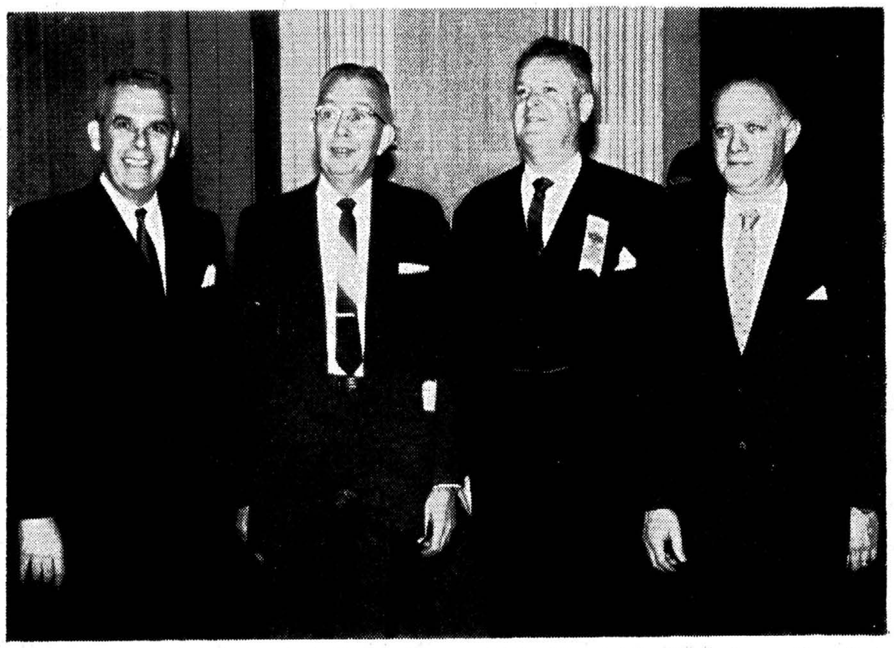

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A New Public Policy Toward Bank Expansion

Continued from page 12

from acting under the anti-trust laws. Holding company acquisitions are clearly stock transactions and as such are subject to provisions of the Clayton Act. Thus we witnessed the Justice Department's action against Firstamerica Corporation in 1959, overriding a decision by the Federal Reserve Board. And, more recently, we saw the Justice Department move against a bank holding company in Milwaukee.

Last year Congress enacted the new bank merger law. This measure was considered in various forms for about 10 years during which time numerous hearings were held. There were many who advocated that stricter merger control measures be written into the law. For example, the Justice Department with the support of some Congressmen, and, as always, the Independent Bankers Association, asked Congress to place bank mergers clearly under the Clayton Act. This Congress refused to do. Instead it gave primary jurisdiction over bank mergers to the three Federal bank regulatory agencies and placed the Justice Department in an advisory capacity only. The exemption of statutory bank mergers under Section 7 of the Clayton Act was continued.

Passage of S.1062 Last May 13, 1960

The reply of Congress to critics of bank mergers was the enactment of S. 1062 on May 13 last year. It provided that, before an insured commercial bank may merge, prior consent is needed from the Comptroller of the Currency if the acquiring bank is to be a national bank, the Federal Reserve Board if the acquiring bank is to be a state Federal Reserve member bank, and the FDIC if the acquiring bank is to be a non-member insured bank. "In the interests of uniform standards," says the law, "each agency, before acting on a merger, shall request a report on the competitive factors involved from the Attorney-General and the other two banking agencies."

It is noteworthy that in its report on S. 1062 the Senate Committee on Banking and Currency said that it wanted to "make crystal clear its intention that the various banking factors in any particular case may be held to outweigh the competitive factors, and that the competitive factors, however favorable or unfavorable, are not in and of themselves controlling on the decision. And, of course, the banking agencies are not bound in their consideration of the competitive factors by the report of the Attorney General."

The Federal law provides that, before approving or disapproving a merger, the appropriate agency is required to consider among other factors:

(1) The official history and condition of each of the banks involved.

(2) The adequacy of its capital structure.

(3) Its future earnings prospects.

(4) The general character of its management.

(5) The convenience and needs of the community to be served.

(6) Whether or not its corporate powers are consistent with the purposes of the Act.

(7) The effect of the transaction on competition, including any tendency toward monopoly, and, finally, the transaction must be found to be in the public interest.

In the proposed merger in Philadelphia, the Comptroller of the Currency, acting independently as provided by the new law, gave his approval, despite the advice of the Justice Department to the contrary. That agency then followed with a suit that promises to test:

(1) Whether Section 7 of the Clayton Act applies to the usual statutory bank merger where the purchase or acquisition of shares in the ordinary sense is not involved.

(2) Whether approval of a bank merger by a government agency, specifically charged by Congress with the exclusive responsibility for approving bank mergers, precludes the Justice Department from attacking such an approved statutory merger under anti-trust laws.

It is generally believed that, in enacting S. 1062 last year, Congress intended to exclude statutory bank mergers from the Justice Department's jurisdiction under the Clayton Act. If the Justice Department should lose the action in Philadelphia, it may ask Congress for new authority over bank mergers. Meanwhile, the parties to the action are doing their homework for the trial slated for June 5 before Federal Judge Thomas J. Clary.

New York State

Now let us consider the enactment of the Omnibus Banking Act last year in New York State. This measure was produced after five years of deliberation. New York State imposed a "freeze" on bank holding companies that lasted from January 1957 to July 1 of last year. The Independent Bankers Association advocated that the freeze be made permanent and that the status quo with regard to branching be maintained in the state.

The Legislature, after weighing all the testimony, decided to allow bank holding companies to be established, and to grow under state supervision in addition to the Federal regulation already in effect. I might add that the New York State Bankers Association supported this decision. The Legislature also decided to allow New York City commercial banks and savings banks to branch into the neighboring counties of Nassau and Westchester.

So we now see that twice in Washington and once in New York, lawmakers, after deliberating a total of 33 years, gathering vast information, said in each case *yes* to bank expansion. It is impressive that these three measures were enacted without the pressure of a banking crisis, a noteworthy exception to the historical pattern of legislating such major banking laws.

These three new laws are essentially permissive toward bank expansion and, in their practical application, each involves the interpretation of certain statutory directives governing the competitive aspects of mergers and bank holding companies. The supervisory agencies and the banking industry are now learning to live with these new, relatively untried laws. The Justice Department, understandably not satisfied with its limited role of advisor, is seeking greater authority in guiding future bank growth and expansion.

I believe that these current difficulties will pass and from them will emerge a clarification, understanding, and agreement by the Justice Department, the regulatory agencies, and the banking industry on public policy toward bank mergers and holding companies.

In New York State the Omnibus Banking Act of 1960 has been subject to almost continuous testing since its enactment. Recently the Banking Board denied the application of the Bankers Trust Company and the County Trust Company, the largest bank in suburban Westchester County, to form a bank holding company. This decision should be viewed against the preamble to the Omnibus Act, which states in part:

"After full consideration of the complex issues involved it is hereby declared to be the policy of the State of New York that appropriate restrictions be imposed to prevent statewide control of banking by a few giant institutions."

In its decision, the Banking Board noted that the "formation of the proposed bank holding company would result in a concentration of assets in Westchester County beyond limits consistent with the effective competition." Superintendent of Banks, G. Russell Clark, said that a major consideration weighed by the Board was that County Trust's total resources constitute nearly 50% of all commercial bank assets in Westchester County, and 41% of the commercial bank branches.

This statement implies that County Trust is already too large in the area and its absorption into a holding company or another bank is precluded from the very outset because of its share of the relevant market. Conceivably it may become necessary for its shareholders to accept, as a condition to joining with a larger bank, an agreement to divest County Trust of certain offices and related assets.

Precedent for such a realignment of the banking structure is found in California, where Firstamerica Corporation settled a Justice Department suit by agreeing that after merging California Bank with its other banking subsidiary, The First Western Bank & Trust Co., 65 banking offices and $500 million of related assets would be used to form a new bank and it would subsequently divest itself of this bank. This illustrates that bank acquisitions need not be the rigid affairs of the past but can be tailored to meet the requirements of public policy.

Loss vs. Gain in Competition

May I observe that, when weighed on the scales of the Justice Department, almost all bank mergers and acquisitions show some loss of competition. How serious this loss is, and how the public interest is thereby hurt, and other questions, depend upon many circumstances. They include the extent to which destructive competition is retarding investment in stockholder-owned banks and how restrictive laws are preventing needed expansion. In any event, competition *lost* should be matched by competition *gained* if a clear case for approval is to be made.

Bankers and the authorities are searching to find appropriate means for applying the new laws and the present impasse, in time, will ease. This belief is based in part on the conviction that growth is essential to the nation's banking system.

Investors submit bank stocks to the same tests as the securities of other companies. Basic among these tests are the growth prospects of the industry and the company. If investment managers concluded that growth was absent or seriously inhibited in a company, they would hardly be attracted to the shares of that concern.

Banks Must Compete for Capital

Banking is not alone in the market for additional capital. It is in competition with other businesses. In the marketplace, where judgment is impersonal and decisive, the investor asks:

(1) Shall I invest my money in banking, or can I do better elsewhere?

(2) Will public policy help or hinder the competitive position of my bank?

(3) Does this policy allow growth—branch banking or mergers, for instance?

(4) Will the attitude of government agencies hurt my investment?

It is not too long since we emerged from that remarkable spectacle of seeing the shares of major commercial banks in the world's foremost capitalistic country quoted at less than the published book value. To put it bluntly, banks were worth more dead than alive. In many places, especially where branching is prohibited, this is still true.

Picture an annual meeting under these conditions. The chairman routinely asks the stockholders if there are any questions while the votes are being counted. One timid but puzzled stockholder was just told that the per share book value of his bank, not counting reserves, stood at $53.84 at the year-end, and he knows that the market will pay him only $40 for his stock. And so he rises to his feet and asks the logical question: "Mr. Chairman, can you give us a good reason why we should continue this business for one more year?"

If the growth factor in commercial banking is retarded, thereby discouraging investor interest, market quotations for commercial bank shares might return to a discount from book value. I can't think of anyone — stockholders, bankers, the public, the Justice Department or the regulatory agencies — who would gain from such a development.

The state and Federal lawmakers in framing public policy toward banks did not overlook the fact that commercial banks are operated with private capital seeking a profit although this fact may at times seem to take a back seat. All of the legislation recently enacted in Washington and in New York with regard to mergers and holding companies directs the banking authorities to consider the adequacy of capital, earning prospects, character of management, history and condition of the banks involved — all factors basic to the success of investment in banks.

In conclusion, might I add that these factors are not found in the Clayton Act. Of this Congress was aware last year when it relegated the Justice Department to an advisory role only.

***An address by Mr. Schapiro before the Massachusetts Savings Bank Officers Club, Boston, Mass., April 25, 1961.**

Presto Dyechem Stock All Sold

Frank Karasik & Co., Inc. announced that their offering of 110,000 shares of Presto Dyechem Co., Inc. common stock at a price of $2.50 per share has been oversubscribed and the books closed.

Net proceeds from the sale of the common shares will be used by the company for promotion and advertising of its dye markers and shark repellent products, to increase dye inventory, and for purchase of casings and supplies. The balance of the proceeds will be used for working capital and general corporate purposes.

Presto Dyechem Co., Inc., Yonkers, N. Y., produces dye markers and shark repellents. The company's products have been authorized as standard equipment for Air Force and other services' life-saving jackets and rafts. Although Presto Dyechem's business is presently limited to sales to the Armed Forces, the company plans to enter the non-governmental market. Management believes that there is a potential market for its products in the boating and aircraft industries, as well as for water skiing and skin diving equipment manufacturers and supplies.

Authorized capitalization of the company consists of 900,000 shares of common stock. Upon completion of the current financing, there will be outstanding 310,000 shares of common stock.

Why Gold-Backed Treasury Bonds Should Be Issued

Continued from page 13

opinions. The resolution could not prevail against the gold clause in an instrument of the Federal Government itself, even though the Court, by 5 to 4, holds that it must prevail in the case of any other type of instrument. But even though the gold clause in an obligation of the Federal Government may be said to retain its existence, it is deprived of any effect; unless and until holders of such obligations demonstrate that they have been damaged by the substitution of legal tender currency for currency convertible upon demand into intrinsically valuable coin. The Court takes its position on the following theses:

"(1) Congress has the power to regulate the currency, and to maintain the equal value of all categories of lawful money.

"(2) Congress having withdrawn one or several categories of lawful money from circulation, and having directed the giving in exchange for them of other categories, unit for unit, it is to be presumed that such categories as are still lawfully in circulation possess equal value one with another, and that therefore no one has been deprived of property nor directly damaged by this public policy.

"(3) Whether the gold clause be interpreted to mean payment in coin or bullion as specified, or payment in currency as measured by the market value of a specified quantity of gold of a specified quality, it means payment *in money*, and it must therefore conform to the regulation of money by Congress.

"Four members of the Court held that the resolution is not a regulation of money at all, but a regulation of contracts, and is unconstitutional in all respects. Four held that it is constitutional in all respects, except insofar as relates to obligations of the Federal Government itself in the form of bonds (and not in the form of gold certificates, or like forms of currency). One Justice held that the resolution was constitutional in all respects, without exception. Justice Stone declined to associate himself in all respects with the opinion of the other four with whose general conclusion, however, he agreed, because he apparently perceived an inherent inconsistency in the simultaneous declarations that the power of Congress to regulate the currency is paramount and that the nation is bound by the commitments of its credit when the government borrows. He pointed out that the way is left open for further efforts to ascertain the position of the gold clause, even though for the time being its effect is neutralized; and he would not acquiesce in so much of the opinion as implies that the obligation inherent in the gold clause 'is nevertheless, in some manner and to some extent, not stated, superior to the power to regulate the currency which we now hold to be superior to the obligation of the bonds.' He revealed himself rather more logical than his brethren of the majority; although like them, he was dazzled by the theory of absolute sovereignty which has wrought such havoc in the law during the last generation, and like them, too, he was muddled on the subject of value.

* * *

"... For reasons indicated above, it is possible that the depreciation of the dollar may be rather markedly retarded. Had the court given the government the sweeping victory which was so widely acclaimed by the press on the day the decisions came down, we could fairly have expected the rapid depreciation of the currency to set in within a short time. Had the court declared the resolution wholly unconstitutional the ensuing depreciation would have been a relatively mild one, due only to deficit-financinig in Washington, the adoption of bimetallism, and such measures. The court having done neither of these two things, but having declared the gold clause possessed of certain limited, mysterious, obscure and yet surviving qualitiies — despite its temporary subordination to what passes for public policy at the moment—the depreciation of the dollar may proceed spasmodically but go far indeed, over the next two or four years.

* * *

"The Constitution conferred upon Congress the power 'to coin money, regulate the value thereof, and of foreign coin.' That can have meant merely to fix and alter, as necessary, the relation between lawful currency and some stipulated object taken as a measure. The Constitution forbade the States to impair private contracts; its framers can hardly be supposed to have intended to reserve the power expressly to impair contracts to the Federal government. Private contracts are the foundation of all long-term and short-term operations in economic life. Unless the real substance of the gold clause—namely, the right of contracting parties to measure their respective obligations in an agreed medium—is revived from the suspended animation in which the Supreme Court leaves it, we are headed for the gradual annihilation of private enterprise, and the exaltation of governmental dictatorship in all economic life."

There are still outstanding private securities issued before 1933 in which the gold clause was set forth. When the gold clause cases were being argued before the Supreme Court, the writer caused to be compiled a tabulation by years of maturity of all gold clause obligations then listed on the New York Stock Exchange. The number was not large for any one year. In the interval of over a quarter century, many of those obligations have been paid off or converted. The enabling legislation would best leave this problem to be dealt with when convertibility of the currency had been restored.

Need for Fiscal Order

It is believed that the proposed United States Gold Bonds would bring about the orderly consoliidation of the Federal public debt at low rates of interest, upon the basis of an inviolable promise to redeem it in gold some time between 12 years and 57 years after the plan was put into effect. After 30½ years of an average increase in the aggregate national debt of over a million dollars every hour, it is surely time to halt the process and to redistribute the mass of obligations in manageable maturities. Surely, in a fiscal year when average interest disbursements aggregate one million dollars each hour, this country should put the ordering and management of its interest obligations into the top-ranking place on its agenda. Stable purchasing power of the currency means as much to the poorest and most dependent individual in the country as it does to the largest units of collective savings such as the insurance companies or great industrial concerns. The student of history will find that as many nations have crumbled under the backbreaking task of caring for every marginal element in their populations as have gone down under foreign conquest.

Would Attract Earmarked Gold

The writer of these lines is convinced that not only would the larger part of the gold earmarked for foreign central bank accounts be converted into the gold clause bonds proposed herein, but there would also be a substantial proportion of them acquired by foreign financial institutions of all categories, notably central banks and insurance companies. Many financial institutions, pension funds and the like, at home would acquire them as a basic part of their capital structure, or as investments. And even from the point of view of the budget of the United States, these bonds would offer a material advantage, in that they could be used as loans, in small amounts, to foreign governments or agencies guaranteed by such governments, in place of large grants and loans in dollars. A 20-year loan, say, of $30 million of 41-year gold clause bonds, carrying 3¼%, would serve the borrower as adequate collateral for short-term credits from commercial banks to tide over exchange difficulties, or to finance particular operations. The government of the United States could make this type of loan at least as well as any international fund or agency, if it were decided, as a matter of basic policy, to make such a loan.

No Stranger to Balanced Payments Problems

There has been a great deal made of the international balance of payments in the discussion of the movement of gold. The balance of payments has been a particular concern of the writer of these lines for many years, long before, in fact, it was picked up in public discussion of war debts and reparation payments. The writer's interest in the relationship between the purchasing power of money, the growth of public debt, and the balances of payments in Antiquity and Medieval Times, as well as in more recent centuries led to his association with Secretary of the Treasury W. G. McAdoo in the work of the Pan American Financial Conference of 1915, and the Inter American High Commission of Ministers of Finance which that conference established. The balances of payments of American countries with Europe, and between themselves, were a matter of daily preoccupation in those years.

A few days after the first large credits — of $100 million each — were opened by the Treasury for Great Britain and France in 1917, the writer gave to Mr. McAdoo a brief memorandum urging that from the outset all such credits contemplate an arrangement, to be incorporated in whatever instruments should mark the close of the war, whereby all intergovernmental obligations should be taken over by an international liquidation commission expressly charged with preventing disturbance of the normal financial transactions arising out of the trade, travel and investment of any of the belligerents. Secretary McAdoo found the suggestions interesting, but the momentous consequences for future balances of payments were of less concern to him at that moment than the multitude of day-to-day decisions he had to make on the war.

The Inter American High Commission included two eminent men, John Bassett Moore and Paul M. Warburg. Under their expert guidance, the commission devised an International Gold Clearance Fund Convention, whereby the sovereign ownership of the gold entrusted to the Fund for the clearinig of balances between central banks was unequivocally guaranteed "in any and all circumstances, in peace and in war." A number of American countries were prepared to conclude this treaty with the United States, when suddenly the Treasury changed its mind and the treaty was withdrawn. Had the treaty been concluded and ratified, its smooth and simple operation might have furnished the basis on which the adherence of a number of American countries to the Bank for International Settlements, in 1929-30, could have been effected.

The writer likewise read at one of the earliest dinners of the Council of Foreign Relations, in February 1921—a paper on the economic consequences of the cancellation of intergovernmental indebtedness, and the Council published the paper as one of its first publications, antedating even *Foreign Affairs*. Great emphasis was put upon what the systematic repayment of intergovernmental indebtedneses would do to the balance of payments; and the writer urged the cancellation forthwith of both debts and reparation payments. But opposition was violent to the proposition that countries can make payments in other currencies than their own only to the extent that they can earn those currencies by transferring capital assets, rendering services, or selling goods.

Somewhat over 38 years ago, the Institute of Economics in Washington published *Germany's Capacity to Pay* (New York, 1922), in the preparation of which the writer was privileged to work with the President of the Institute, Dr. Harold G. Moulton, which set forth that priniciple. President A. L. Lowell of Harvard University resigned from the Board of Trustees when the book was in proof, denouncing it, in his letter to Chairman Robert S. Brookings, as the most mischievous book of the 20th Century. Reviewers, whether in learned and professional quarters or in Sunday supplements of the metropolitan press, scoffed at the idea that massive international public obligations could not fail to imperil the restoration of a normal balance of payments, and must in any case postpone it by generations.

The financial community and political leadership of those years were not ready to accept the principle just defined. The balance of payments had been regarded as some abstract formula of the economists, with no practical bearing upon the decisions of State. Yet, within a decade or less, the bulletins of leading banks in this and other countries, important public addresses before financial and commercial gatherings, as well as international political meetings were all discussing international balances of payments. In Washington and other capitals official studies were under way on an elaborate scale; and the League of Nations at Geneva was undertaking fundamental research into the composition of the international balance of payments. Then came the crisis of liquidation. From October 1929 until the suspension of the convertibility of sterling in September 1931 the orderly processes of international settlement were distorted, and general acceptance of the balance of payments as the true reflection of the trend in the exchange of goods and services between nations made no further progress for years.

Public authority everywhere undertook to regulate financial and commercial movements; the international balance of payments was regarded as something for public policy to fashion and channel like the ducts of an air-conditioning installation. The matter was ever present in public discussion, on the widest variety of occasions, notwithstanding the pretensions of governments to deal with it by decree. But these 30 years of bondage have not failed to leave an impress upon the concept of international payments, which now, in the minds of the majority of people, no longer suggest some self-regulating mechanism tending to effect a sort of equilibrium between economic forces and the diffusion of goods and services across the borders of autonomous economic systems.

The balance of payments suggests now to most people some supervised adjustment, guided by regulatory authorities, international in character, capable of weighing the factors needed to balance the accounts, and to allow for progress and improvement. With serene assurance, public authority has glided from one set of involvements to another, from the devaluation of 1933-35 to the Tripartite and Bretton Woods Agreements, the vast outlays of the war years and the endless chain of commitments in the postwar years, the gradual shift of the public debt into relatively close maturities, and under the impact of rising costs at home, the acceleration of long-term dollar investment — chiefly industrial — abroad, notably in Europe.

Warns Against Internationalization of Our Monetary Reserves

And now the complexity of the economico - political involvements is supposed to be too technical and obscure for the public mind to grasp. The future of mankind is vaguely hinted as bound up in the steps which those charged with responsibility for public policy will soon take. There is reason to believe that these steps, if actually taken, may eventually lead to the internationalization of the monetary reserves of the United States.

It will be no service, in the long run, to the peoples of this hemisphere or the other, to part with the rest of our gold in some elaborate internationalization of reserves, such as has been brewing now for some years. The *Economist* (London) celebrated the first decade of the inconvertibility of sterling that began Sept. 18, 1931, by opining with much relish that the dollar had been substituted for gold as the international standard. Recently some of our own publications and banking officials have become truly lyrical in their praise of the dollar, rather than gold, as the monetary standard of the world. There is a vast difference between the status of a currency so strong that it is the measuring rod of commerce, of investment and of price trends for a number of countries outside of its own legal jurisdiction, and the status of a currency which has become a mere money of account, an arithmetical contrivance, a mere symbol, separated from the reality of capital formation in a specific area, and vitiated by an unmanageable and almost cancerous proliferation of public debt.

The currency of the United States cannot serve its primary obligation to the people of this country unless and until its convertibility is unequivocally restored. Best of all would be the immediate restoration of that convertibility; but at the very least, in all honesty the Congress of the United States should commit itself now to a program of return to convertibility by way of a progressive conversion of its public debt into long-term bonds payable in gold at maturity. If this procedure, or something resembling it in its purpose to tie both our currency and our public debt to convertibility into gold at a predictable date in the measurable future, is not soon adopted, the public debt will cross 300 billions, and then attain far higher figures, until about the only prospect of conversion that will be left will be a drift into perpetual debt, or even into some obligation of indeterminate maturity like the notes which represent the participation of the United States in the World Bank and Monetary Fund.

STATE OF TRADE AND INDUSTRY

Continued from page 9

line pipe are benefiting from increased construction. Oil country goods are in greater demand because downriver stocks are low. Bars, tool steels, and stainless are gaining moderately.

Since inventories are low, buying is still for quick shipment. Steelmakers are boosting output to stay competitive, but deliveries on some products are tightening.

Steel predicts a modest buildup in user inventories of nonferrous metals over the next three months. That's the report from purchasing agents contacted in the metalworking magazine's quarterly survey of inventories. Buyers of ferrous materials plan to coast along with hand-to-mouth inventories.

The scrap price decline is accelerating. *Steel's* price composite on No. 1 heavy melting dropped another $1.34 to $37.33 a gross ton. The softer market reflects slackening export demand and increased use of blast furnace hot metal.

The metalworking industry is disappointed with President Kennedy's tax incentive proposals, a *Steel* survey shows.

Comments indicate executives had expected more. Studded through the replies of managers were words like these: "Incomplete, gimmick, inadequate, no stimulus, won't change plants, questionable. . . ." Scattered praise was confined mostly to: "This is a step in the right direction, but. . . ."

Most industry representatives prefer liberalization of depreciation rates, saying a faster writeoff would provide immediate cash and would be simpler to administer.

Steel Production Data for the Week Ended April 29

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 April 29, 1961, was 1,858,000 tons (*99.7%), a 4.1% increase and output of 1,784,000 tons (*95.8%) for week ending April 22.

Production this year through April 29 amounted to 27,044,000 tons (*85.4%), or 38.2% below the 43,740,000 tons (*138.1%) in the period through April 30, 1960.

The Institute concludes with Index of Ingot Production by Districts, for week ended April 29, 1961, as follows:

	*Index of Ingot Production for Week Ending April 29, 1961
North East Coast	103
Buffalo	100
Pittsburgh	90
Youngstown	84
Cleveland	105
Detroit	113
Chicago	102
Cincinnati	103
St. Louis	113
Southern	94
Western	121
Total industry	99.7

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

Auto Production for April Increased 9.75% Over March

U. S. passenger car production for the month of April rose 9.7% from March, *Ward's Automotive Reports* said.

Setting this week's output at 115,306, the statistical service said that the industry turned out a total of 447,803 new cars during the month, compared with 407,959 assemblies in March, but equal to only 76.8% of 582,869 cars produced in April, 1960.

Ward's reported this week's output was a decline of 7.4% from the 1961 peak of 124,459 units completed in the previous five-day work session, but still was the second most productive week of the year. In the same period of 1960, the nation's auto makers turned out 135,515 new cars.

Week-long shutdowns in three Chevrolet division plants; a Ford Motor Co. closing of its Ford-Mercury site at Los Angeles for five days and suspension of assembly in three of seven Chrysler Corp. facilities moderated production this week, *Ward's* said.

Chrysler Corp. closed its Detroit Chrysler car plant for the "phasing in" of Imperial car assembly. The company this week vacated Dearborn (Mich.) quarters used for Imperial making since the demise of its DeSoto car. The company's Los Angeles plant was closed in an inventory adjustment.

Ford and Chevrolet shutdowns were partly offset by extended work weeks at other sites. Ford scheduled Saturday activity at Metuchen (N. J.), Lorain (O.) and Kansas City Falcon-Comet plants, with workers at Lorain on ten-hour shifts. Chevrolet ordered six-day programs at Framingham (Mass.) and at its Willow Run Corvair factory.

A few one-day shutdowns took place in other General Motors and Ford plants, but American Motors Corp. and Studebaker-Packard maintained full five-day programs. In the previous week, all the nation's auto plants were operative.

Of the week's automobile production, General Motors accounted for 46.2%; Ford Motor Co. 35.5%; Chrysler Corp. 10.1%; AM Corp. 6.9%; and Studebaker-Packard Corp. 1.3%.

Electric Output 4.4% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 29, was estimated at 14,254,000,000 kwh., according to the Edison Electric Institute. Output was 57,000,000 kwh. below that of the previous week's total of 14,311,000,000 kwh. and 593,000,000 kwh., or 4.4% above that of the comparable 1960 week.

Business Failures Up Moderately

Commercial and industrial failures rebounded to 369 in the week ended April 27 from 320 in the preceding week, reported Dun & Bradstreet, Inc. This increase lifted casualties above the 325 occurring in the comparable week last year and the 275 in 1959. Some 13% more businesses succumbed than in pre-war 1939 when the toll was 326.

Failures involving liabilities under $100,000 climbed noticeably to 327 from 276 a week ago and 287 last year. However, there was a dip among large casualties, those with losses in excess of $100,000, to 42 from 44 in the previous week, although the toll in this size group did remain higher than last year's 38. In fact, with only two exceptions so far this year, more large failures have occurred than in the corresponding weeks of 1960.

Manufacturing and trade casualties increased during the week, with the toll among retailers rising to 187 from 146, among manufacturers to 62 from 55, and among wholesalers to 35 from 31. On the other hand, slight dips appeared in construction, off to 59 from 60, and in commercial service, down to 26 from 28. Neither wholesale trade nor service had as many failures as in the similar week last year, but mortality in other lines ran above 1960 levels.

Seven of the nine major regions reported higher tolls in the week just ended. Casualties climbed most sharply in the Pacific States, up to 83 from 61, in the East North Central, up to 62 from 52, and in the East South Central and Mountain States where tolls rose to 15 from 12 respectively. In contrast, failures in the Middle Atlantic Region held steady at 108, and those in the South Atlantic declined mildly to 46 from 52. More businesses failed than a year ago in all except two regions, the New England and West North Central States.

Canadian failures edged up to 40 from 37 in the preceding week and 38 in the corresponding week of last year.

Lumber Shipments Were 0.9% Behind 1960 Volume

Lumber production in the United States in the week ended April 22, totaled 233,426,000 board feet, compared with 221,882,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 259,688,000 board feet.

Compared with 1960 levels, output declined 10.1%, shipments dropped 0.9%, and orders fell 8.7%.

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

	April 22, 1961	April 15, 1961	April 23, 1960
Production	233,426	221,882	259,688
New orders	228,431	221,645	250,158
Shipments	251,109	243,811	253,302

Freight Car Loadings for Week Ended April 22 were 14.7% Below Corresponding 1960 Week

Loading of revenue freight in the week ended April 22, 1961, totaled 533,435 cars, the Association of American Railroads announced. This was a decrease of 91,975 cars or 14.7% below the corresponding week in 1960, and a decrease of 115,884 cars or 17.8% below the corresponding week in 1959.

Loadings in the week of April 22, were 11,049 cars or 2.1% above the preceding week.

There were 11,328 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended April 15, 1961 (which were included in that week's over-all total). This was an increase of 714 cars or 6.7% above the corresponding week of 1960 and an increase of 3,297 cars or 41.1% above the 1959 week.

Cumulative piggyback loadings for the first 15 weeks of 1961 totaled 156,938 for an increase of 1,380 cars or 9/10s of 1% above the corresponding period of 1960 and 47,867 cars or 43.9% above the corresponding period in 1959. There were 58 Class I U. S. railroad systems originating this type traffic in the current week compared with 52 one year ago and 47 in the corresponding week in 1959.

Intercity Truck Tonnage in Week Ended April 22 Was 1.1% Below Corresponding 1960 Week

Intercity truck tonnage in the week ended April 22, was 1.1% below that of the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 3.1% behind the volume for the previous week of this year.

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.

The terminal survey for last week showed increased tonnage over a year ago in 14 localities. Twenty points reflected decreased tonnage from the 1960 level. Truck terminals at Minneapolis-St. Paul and Birmingham showed the largest year-to-year gains—each more than 15% over last year's volume. Detroit terminals continued to register the greatest decreases, trailing last year's traffic by 13.2%; however, this result was more favorable than any since early this year. Three other trucking centers showed year-to-year decreases of 10% or more.

Compared to the preceding week, six metropolitan areas registered increased tonnage, while 28 areas showed decreases. Boston terminals reflected an overall week-to-week decrease of 19.9%. This sizable decrease and certain other decreases in the northeastern section of the country were influenced by the possibility of a work stoppage which did not develop. Some shippers were reported reluctant to make shipments in the early part of the week as labor negotiations drew to a close in the New England area.

Wholesale Commodity Price Index Dips Moderately from Prior Week

Reflecting lower prices on lard, sugar, butter, livestock, rubber and steel scrap, the general wholesale commodity price level dipped moderately in the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 269.06 (1930-32=100) on May 1, compared with 269.54 a week earlier and 274.82 on the corresponding date a year ago.

Wholesale Food Price Index Down to Lowest Level Since Last September

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped moderately this week to the lowest level since last September and it was unchanged from a year ago. On May 2 it stood at $5.97, down 0.5% from the prior week's $6.00. This was the lowest since the $5.96 of Sept. 14, 1960.

Higher in wholesale price this week were flour, wheat, oats, sugar, cocoa, potatoes, and hogs. Commodities quoted lower were corn, rye, hams, lard, beans, eggs, steers and lambs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Bad Weather Hurts Retail Trades For Week Ended April 26

Bad weather in many areas offset the effects of sales promotions holding overall retail trade in the week ended this Wednesday moderately below both the prior week and the similar 1960 period. The most noticeable declines from last year occurred in sales of major appliances and men's apparel, while more moderate dips were reported in women's and children's apparel, furniture, floor coverings and draperies. Volume in linens remained close to last year. Scattered reports indicate that sales of new passenger cars matched a week earlier, but they were down from last year.

The total dollar volume of retail trade in the week ended this Wednesday was 4 to 8% below the similar 1960 week, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: East North Central —14 to —16; South Atlantic and Mountain —7 to —11; East South Central —6 to —10; West South Central —3 to —7; Pacific Coast —2 to —6; West North Central —1 to —5; Middle Atlantic +1 to —3; New England +2 to —2.

Nationwide Department Store Sales Down 1% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended April 22, 1961, showed a decrease of 1% below the like period last year. For the week ended April 15, a decrease of 17% was reported. For the four weeks ended April 22, 1961, an 8% loss was reported.

According to the Federal Reserve System, department store sales in New York City for the week ended April 22, showed a 1% loss over the same period last year. In the preceding week ended April 15, sales showed a decrease of 20% from the same week in 1960. For the four weeks ended April 22, an 8% decrease was reported below the 1960 period, while Jan. 1 to April 22 no change occurred over last year's sales.

Norwegian Bonds Are Marketed

Public offering of $18 million Kingdom of Norway, 15 year 5½% external loan bonds, due May 1, 1976, at 97½% and accrued interest, was made on May 3 by an underwriting syndicate jointly managed by Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co., Inc.; Lazard Freres & Co. and Smith, Barney & Co., Inc.

Net proceeds from the sale of the bonds will initially be added to Norway's foreign exchange reserves. It is the intention of the Kingdom of Norway that these net proceeds will be applied to the acquisition and importation of capital equipment required for the further development of the Norwegian economy.

The bonds will not be redeemable, at the option of Norway, until May 1, 1971, and thereafter they will be redeemed at prices ranging from 101% to 100%, plus accrued interest. The bonds will have the benefit of a semi-annual sinking fund commencing in the Fall of 1964, calculated to retire all of the bonds by maturity. For the sinking fund the bonds will be redeemable at 100%, plus accrued interest. Interest on, and principal and redemption price, of the bonds will be payable in currency of the United States. The bonds will be direct, unconditional and general obligations of the Kingdom of Norway and will rank equally with all other loan indebtedness of the kingdom.

Application to list the new bonds on the New York Stock Exchange will be made by the Kingdom of Norway.

As of Dec. 31, 1960, Norway had a total population of approximately 3,601,000 and gross national product (at current prices) of 35,657,000 kroner. Gross national product in 1959 was 33,329,000 kroner. Agriculture, manufacturing, and mining, fishing, shipping, wholesale and retail trade are among the largest of Norway's industries. Public debt of the Kingdom of Norway as of Dec. 31, 1960, including direct funded and floating debt, aggregated 9,051,476,000 kroner.

Kuhnemund Joins Glore, Forgan

Charles H. Kuhnemund has joined the Municipal Bond Department of Glore, Forgan & Co., 45 Wall Street, New York City, members of the New York Stock Exchange, it has been announced. He was formerly with F. S. Moseley & Co. and prior to that with The Marine Trust Company of Western New York.

The Realities of Civilian Atomic Energy Uses

Continued from page 1

anticipated that the station will go back onto the line within the reasonably near future to help meet the electrical requirements of Chicago and Northern Illinois.

Total net electrical capacity of these five plants is 361,000 kilowatts.

Five new central station nuclear power plants are scheduled to come onto the line in various parts of the country in 1961. These are the 3,250-kilowatt reactor of the Saxton Nuclear Experimental Corp., at Saxton, Pa.; the 11,400-kilowatt nuclear station to be operated by the city of Piqua, Ohio; the commission's 17,400-kilowatt Experimental Breeder Reactor No. 2, which will furnish power at the National Reactor Testing Station in Idaho; the 22,000-kilowatt nuclear plant to be operated by the Rural Cooperative Power Association at Elk River, Minn.; and the 255,000-kilowatt reactor of the Consolidated Edison Co. of New York, at Indian Point, N. Y.

Sixteen Plants by 1962

Including some power to be generated in two instances — at Elk River and Indian Point—by conventional fuel in combination with nuclear heat, these plants will add more than 300,000 net kilowatts to the nation's electrical generating capacity.

In 1962 six more major nuclear plants are scheduled to reach criticality during the year to add nearly 300,000 additional kilowatts to American nuclear power capacity.

Thus, the total production capacity of nuclear plants already in operation, of those expected to begin production this year and of those expected to become operable in 1962 will amount to well over one million electrical kilowatts—a truly impressive figure.

In the matter of how competitive our nuclear plants can be with those fired by fossil fuels, results of our past year's experimental programs have confirmed our previous opinion that water reactors are already nearly competitive with conventional plants in certain areas of this country.

Our studies indicate that pressurized water or boiling water reactors in the 300,000-kilowatt capacity range could produce power today under private financing that would cost from nine to ten mills per kilowatt hour and that, through a development program aimed at improvements that are thoroughly feasible, units could be constructed which would produce power at six to seven mills per kilowatt hour — figures competitive with the current cost of conventionally produced power in high cost fuel areas.

Plans for Large Plants

Significantly, plants of 300,000 kilowatt magnitude—and larger—already are in contemplation. One of the most significant happenings in the pressurized water reactor field in 1960, for example, was the announcement that the Southern California Edison Co. and Westinghouse Electric Corp. had reached agreement on construction of a 375,000-kilowatt nuclear plant in the near future. Two other announcements of similar importance also have been made. The Pacific Gas & Electric Co. has disclosed its interest in construction of a 300,000-kilowatt water reactor in the relatively near future and a group of New York State utilities has recently announced sponsorship of a major private research and development program looking toward the selection of a reactor system for a nuclear plant in the 300,000 to 500,000 kilowatt range in 1965.

I might add, incidentally, that our new production reactor which is under construction at our Hanford works in Washington will be completed in 1962. Added equipment to produce approximately 650,000 kilowatts of electricity from this reactor is to be installed for operation late in 1964.

I submit that, in view of the achievements already realized and of those confidently expected to materialize in the near future, not only is nuclear power a reality today, it is a reality due to play an increasing part in power production in this country within the next few years.

In 1958 we set a goal of reaching competitive nuclear power from large-scale plants in high cost energy areas of our country in—as I have already indicated—1968. If for any reason we do not make our goal right on schedule in 1968, I am confident it will be achieved soon thereafter.

Energy in Isolated Areas

No discussion of the development of nuclear power would be complete without mention of the fact that wholly feasible and practical applications of nuclear energy have been and are being made for use in isolated areas where the logistics of transporting adequate supplies of fossil fuels clearly give the employment of atomic energy a distinct advantage.

Late last year a 1,500-kilowatt portable nuclear power plant was fabricated in 27 packages and shipped by air and sea to Camp Century in Northern Greenland, where it was assembled in tunnels beneath the Greenland ice cap.

The reactor is now in full operation—the first to start supplying power and heat for a remote military post. Two other such units are under construction in Wyoming and Alaska.

This year—in November 1961—a pressurized water reactor, which will produce 1,500 kilowatts of electricity, is to be shipped to the U. S. Naval Air Facility at McMurdo Sound in the Antarctic. The plant will provide light, space heat and power for scientific personnel stationed in this isolated area of the world.

Propulsive Power

Of equal or perhaps even greater interest has been the application of nuclear energy for propulsive power—a field in which achievements already may be characterized as spectacular and in which accomplishments of still greater magnitude are confidently expected.

The historic feats of our atomic submarines in navigating successfully beneath the Polar ice and in cruising, submerged, around the globe have made headlines throughout the world. Now, a nuclear-powered cruiser, the U. S. S. Long Beach, and a nuclear-powered carrier, the U. S. S. Enterprise, are in advanced stages of construction and will be added soon to the nation's atomic fleet. In peaceful maritime uses, the N. S. Savannah, the world's first nuclear cargo-passenger vessel, is rapidly nearing her first sea trials under attomic power.

The Key to Space Travel

Still more remarkable events loom before us in the use of atomic power in space. The National Aeronautics and Space Administration and the Atomic Energy Commission have established a joint office to consolidate the work which has been carried out by organizations within each agency to develop nuclear energy for space missions.

Two low-power experimental reactors for space use were tested successfully at design power during 1960 and higher power experimental reactors are being constructed for a series of tests in 1961. On Feb. 2 of this year the AEC-NASA Joint Nuclear Propulsion Office issued an invitation to industry for proposals which would be the basis on which an industrial contractor would be selected to participate in the nuclear rocket program. Subsequent phases of the contract would include the development of a nuclear rocket engine.

Nuclear rockets will provide specific impulses — or thrust per unit weight of fuel consumed—two to three times the values that can be obtained in chemical combustion rockets. Thus, they have the capacity of putting into space far larger payloads than would be possible by chemical means. Nuclear energy is, in fact, the key to space travel—the only means of obtaining the complete operational independence from earth necessary to explore the planets of our solar system.

Nuclear energy, moreover, will be called upon to supply the auxiliary power necessary for successful sustained flights into space.

Electric power will be needed on manned missions for such environmental controls as water, food and oxygen regeneration. It will be needed to power communications, scientific and other equipment on manned and unmanned missions and to supply continuous low-thrust power for electrical propulsion engines.

Again, the great payload capacity of atomic energy per unit of weight is the answer.

The objective of our SNAP Program—meaning Systems for Nuclear Auxiliary Power—is the development of small, lightweight nuclear-powered electrical generators for satellites, space vehicles and special applications.

Nuclear heat in SNAP devices is obtained by the radioactive decay of radioisotopes or through the use of very compact reactors using highly enriched uranium. Other significant achievements in this part of the atomic energy program have been in the direct conversion process using thermionic diodes for the production of electric power.

Use of Radioisotopes

I should like now to turn to another field of atomic energy in which civilian uses are an important reality today. Of more than 10,000 licenses issued by the Atomic Energy Commission for the peacetime uses of nuclear energy, more than 8,000 are for the possession and use of radioisotopes in agriculture, medicine and industry.

In agriculture, radioisotopes are an important tool, helping scientists to unlock secrets of the growth of plants and animals and of the pests and diseases that injure or destroy them. In medicine they have helped in the study of cancer, leukemia, heart malfunctions, multiple sclerosis and other diseases and have made possible advances in medical diagnosis. Over 2,500 hospitals or medical groups now use radioisotopes for diagnosis.

In the area of radiation treatment, many of the uses of radioisotopes follow the principles established with X-rays, particularly in the treatment of cancer. But radioisotopes, by reason of the greater flexibility of treatment which they permit, have greatly extended the use of this form of therapy. They are, moreover, substantially cheaper than the cost of X-ray therapy.

In industry, radioisotopes have found a wide variety of uses, particularly in process controls which cut costs to manufacturers and result in a better product for the consumer.

Foremost among these controls are gauging techniques in which isotopes have proved a most versatile and efficient tool. Some 5,000 isotopic gauges now are at work measuring the density and thickness of sheet materials in the rubber, plastics, metal, paper and other industries.

Radioisotopes are proving invaluable as liquid level indicators for the measurement of levels in closed vessels and containers. The chances are that a radioisotope gage was used to insure that a can of beer had been filled to the proper level. It is virtually a certainty that a cigarette has had its tobacco content measured to precise standards by an isotopic gage.

Introduced in minute quantities in various materials, radioisotopes have proved their importance as "tracers" in wear studies of motors, and lubricants; in the study of the efficiency of mixing operations, such as those conducted in the soap industry; in the discovery of leaks in underground piping and in the tracing of flow in pipelines, catalytic crackers, chemical processing plants and fluid or slurry systems.

Radioisotopes now are used routinely to inspect welds on ships, tanks, pipelines and containment vessels. The isotope tritium — already employed for illuminating safety signs for civilian and military purposes — has been authorized for use in place of radium in luminescent watches and clocks.

The Office of Isotopes Development recently has developed a strontium-90 powered automatic weather station to be installed in the Arctic this summer. The station will collect readings on temperatures, wind speeds, wind directions, and barometric pressures for automatic transmittal to manned stations several hundred miles away. Success with this long-lived fission product has been so encouraging that contracts have been let to build a cesium-137 battery for oceanographic investigations at great depths. This equipment will power radio telemetry units for transmitting information to surface receiving units aboard ships.

Other uses of radioisotopes now under investigation have to do with water resources development; control of water and air pollution; development of analytical and bioassay methods of potential usefulness in the food and drug industries; the development of a detective beam that would disclose the presence of hidden explosives and techniques to identify the origin of opium in drug traffic control efforts.

Finally, progress in specific areas of isotopes development includes that having to do with the use of radiation in helping to preserve food.

Since the Commission assumed primary responsibility last spring for research on use of low-dose radiation to extend the refrigerated shelf-life of foodstuffs, we have determined that extension of the refrigerated shelf-life of certain classes of food by low-dose radiation is feasible; we have selected specific food items for development, and we have outlined a research and development plan for them. The foods include fish and certain fruits and vegetables. The first experimental food irradiator has been designed and fabricated for installation at M.I.T. I might add that we are concentrating on a limited number of foods with the idea that a successful demonstration will lead private industry to expand the technology to other food products.

The number of licenses issued for the use of radioisotopes continued to increase last year. Over all the total rose by 9% over 1959 to, as I have previously indicated, more than 8,000 licenses. Included in this increase was a 12% rise in the number of licenses issued to industrial users of isotopes.

Private production of isotopes began during 1960. Abbott Laboratories started commercial production of iodine-131. General Electric and Westinghouse began production of cobalt-60. In isotopes, as in other areas, the Commission will continue its policy of ceasing to supply materials and services when adequate commercial sources can do so at reasonable prices.

Safety Record

I feel that I cannot close my paper without some mention of safety of AEC operations, particularly safety from the hazards of radioactivity. It is because of the overriding importance of safety in all uses of atomic energy that the atomic energy law provides for a comprehensive system of licensing and regulation of all private activities in this field.

Our efforts to reduce injury to workers and property damage in AEC plants were so satisfactory in 1960 as to deserve specific mention. The number of workers injured during the calendar year was lower than in any year in AEC's history. Nine contractors received the Award of Honor for having achieved over three million man-hours without any injury to their employees. One of these — the Sandia Corporation plant at Albuquerque, N. M. — achived a total of 14,936,000 man-hours for the best record in our history.

The lost-time injury frequency for all AEC operations was 1.68 injuries per million man-hours worked, or 20% below the 1959 figure of 2.11 injuries per million man-hours and 14% below our previous best year of 1957 when the rate was 1.96.

The total number of workers injured in AEC plants and laboratories in 1960 was 404 compared with 497 in 1959. Of the lost-time injuries in 1960, only one was caused by radiation. This case involved an employee of the Sandia Laboratory, Albuquerque, N. M., who received an overexposure of radiation from a particle accelerator and lost 10 days due to localized burns of face and hands. The incident occurred Nov. 8, 1960.

Four fatalities occurred during 1960 in AEC operations. One death was that of a professional skin diver who was drowned while performing assigned duties at the Eniwetok Proving Ground. The second fatality was that of an employee who was scalded while helping to pour soup in a kitchen at the Nevada Test Site. The third fatality occurred when an employee fell from a wall at the Cambridge Electron Accelerator at Harvard University. The fourth occurred when a painter was killed by a fall from a scaffold at the National Reactor Testing Station. Twelve fatalities occurred during AEC operations in 1959.

Unfortunately, the new year has not begun so auspiciously. We have already had eight unfortunate deaths: three in the SL-1 Reactor accident in Idaho; three in falls; one by asphyxiation and one in an automobile accident.

This is added proof that we cannot relax in our effort to make every job in AEC safe and I am hopeful that in the remaining months of the year we will be able to offset this poor start.

I have tried to cover some of the principal advances which already have been realized in the peaceful uses of atomic energy and to indicate, as I promised to do at the outset, some of the developments we foresee for the future. What still lies ahead.

Thermonuclear Progress

The thermonuclear research program—directed toward someday producing useful electric power from the atomic fusion of light elements — has made what appears to be promising progress.

Scientists in a number of laboratories are building a variety of machines which are designed to hold ions of the light elements in a magnetic field, and impart to them enough energy to make them fuse together to form heavier atoms with a release of considerable energy. This first step will have been achieved when we reach what is called the "ignition temperature" for a plasma of ions which is confined for a sufficiently long time at a high enough density. During 1960, we came closer to this than ever before—using two stages of a proposed three-stage magnetic compression machine. By early summer, we hope to try this machine with all three stages operating.

If the machine succeeds in achieving higher temperatures and in maintaining the stability of the higher temperature plasma, the next step would be to try to extend the period of plasma confinement to help assess the possibility of achieving a fusion reactor that will yield more power than it takes to operate.

In other words, we would have reached the first goal of our program of controlled thermonuclear research.

Thus the horizons of atomic energy broaden before us as, indeed, do all the unexplored frontiers of science. Problems of vast and complicated nature lie before us in many fields. The realization of our hopes and aims will not be without struggles, without setbacks, without failures and disappointments. But we are on our way. Our achievements to date have been substantial and encouraging. We look forward with confidence to what the years ahead will bring.

***An address by Mr. Olson before the annual meeting of the Atomic Energy Council, Oil, Chemical and Atomic Workers International Union, Washington, D. C., April 7, 1961.**

Nat'l Stock Exch. Names Comms.

The Board of Governors of the National Stock Exchange has created six committees and appointed chairmen to run them. In charge of the New Listings Committee is Aaron A. Freundlich. C. Charles Denisco is Chairman of the Clearing House Committee. Llewellyn Watts, Jr., was appointed Chairman of the Membership Committee and the By-Laws and Rules Committee. Hendrik Ahlers was named to head the Business Conduct Committee and the Rooms, Property and Fixtures Committee.

The National Stock Exchange received its franchise last year from the Securities & Exchange Commission as the nation's fourtenth stock exchange. It plans to initiate trading as soon as its floor is readied and its list of corporate issues has received final approval.

California Bankers 70th Convention

SAN FRANCISCO, Calif. — The California Bankers Association will hold its 70th anniversary convention at the Fairmont and Mark Hopkins Hotels May 21-23. Speakers at the convention will be Hon. Walter H. Judd; Carl A. Bimson, President of the American Bankers Association; Dr. Kenneth McFarland, General Motors Corporation; William H. Neal, National Director of the U. S. Savings Bond Division of the Treasury Department; Ben C. Corlett, American Bankers Association; and J. Lewis Powell, management and engineering consultant.

R. S. Beasley, Vice-President for California of the American Bankers Association will preside over a meeting of the California members of the ABA.

The Economic Outlook On the New Frontier

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war years when chronic unemployment persisted right up to the onset of war?

Examines the New Team

I want to return to this subject after a bit but first I should like to look briefly at life on the New Frontier under the leadership of our young president from Harvard.

Mr. Kennedy has brought to Washington a surprisingly mixed, but on the whole, admirable team. He has put together a sort of coalition cabinet, with the sensitive posts of Treasury and Defense going to Republicans. For Secretary of State, he picked Dean Rusk, a Rhodes scholar, quiet, scholarly, greatly respected by those who know him. Then he has bracketed the Secretary by two eminent Democratic politicians—Adlai Stevenson and Chester Bowles—each of whom was thought to have coveted the top job. Is this genius or expediency? For Secretary of Labor he picked the smartest labor lawyer in the country, Arthur Goldberg, whose pronouncements and actions since taking office have left some labor leaders a trifle baffled and caused others to call him the "Mr. Republican" of this Administration.

Moving with the drive and energy of youth—in obvious contrast to the measured, energy - saving pace of his predecessor—Mr. Kennedy has made a strongly favorable impression on most people. In the course of a brief, highly unscientific taxicab poll I took in Washington recently, I learned that "everyone feels much better." "They feel like a lot of things that need to be done are going to get done."

That may not be very precise but it's important. Mr. Kennedy has had a salutary effect on public sentiment.

The remarkable thing is that thus far there is very little of a tangible character to support the widespread impression of bold, new action.

Compares Recession Cures

In fact, young President Kennedy has met the recession of 1961 almost precisely the way old President Eisenhower met the recession of 1958. There have been no dramatic or drastic measures. On both occasions the White House has turned a deaf ear to recommendations for a temporary tax cut. On both occasions the response was identical. Like Eisenhower, Kennedy said: "We'll wait until April to see whether things improve."

On both occasions April brought the well-nigh inevitable improvement, and a tax cut, whether or not it would have been a good idea earlier had clearly become outdated by April. Meantime, the prospects are that spending will increase and deficits will rise, although there is as yet no sign that Mr. Kennedy will achieve in fiscal 1962 a deficit as large as the nearly $13 billion one Mr. Eisenhower piled up in fiscal 1959.

Actually, Mr. Kennedy has turned out thus far to be very much of a conservative. He is obviously aware that the label of big spending and the threat of inflation are political liabilities especially dangerous to Democrats. So he has talked boldly but moved cautiously.

Here's how a Washington wit summed up the Administration's performance thus far. He said it reminded him of that dazzling basketball team — the Harlem Globetrotters. The New Frontier team has been passing the ball forward, behind, sidewise and underneath—a brilliant display—but thus far nobody has scored a basket.

The cautious course the President has steered reflects, no doubt, his own normal inclination. It reflects also his appreciation of the fiscal conservatism of Congress, and a recognition that the narrow margin of his election gave him no sweeping or unchallengeable mandate.

Not all of his advisors have been quite happy with Mr. Kennedy's moves to stimulate recovery. One of the most distinguished of them, Professor Paul Samuelson of MIT, has called the President's recovery program a "placebo program" — a pill that makes the patient think he is being treated although in fact the bill has nothing but a little sugar in it.

For the coming fiscal year, Mr. Kennedy has budgeted for only about $3 billion more than Mr. Eisenhower had planned. He is budgeting a deficit of only $2¾ billion.

Finds Action Taken Conservative

Some of the President's brilliant young braintrusters are concerned whether deficit spending of such modest proportions will give the economy the forward life they think it needs.

Certainly thus far, and prospectively for 1962, the President's program for stimulating recovery and growth is more modest and conservative than most people realize—a good deal more conservative than the stock market's ebullience would suggest.

Now, it may well be that the President, proceeding by political intuition, may turn out to have been a better—or at least a luckier—economist than his advisors. If this recovery should indeed prove vigorous, if it should carry the economy back to reasonably full employment faster than is now anticipated, then, of course, it will be all for the best not to have overstimulated the economy by rapid and massive increases in government spending on the one hand, or sizable tax reductions on the other. Either course would tend to revive the inflationary pressures that are now suspended, and a renewal of inflation, or even fear of inflation, would aggravate our dangerous balance of payments position.

This brings me in one easy motion to the third phase of my paper — the interlocking complex of major economic problems which confront our nation and for which thus far we have found no workable solution.

I have already mentioned one of these problems—the failure of our economy, even at the peak of the last recovery period, to provide enough jobs to employ our full labor force.

Structural Unemployment

There has been a fascinating paradox about the latest recession. Every month for the past year or more the total of employed persons has reached a record high for that month. Thus employment in January was the highest for any January in our history. The same was true of February, and March, and will, I have no doubt, be true for April, May and June, and so on.

Yet, in each of these months of record high employment, unemployment also rose. The total by February had reached 5,700,000 workers, largest in number for almost 20 years. Moreover, many of these unemployed had been out of work for a long time and had exhausted their unemployment benefits.

Now, of course, some of this unemployment has been due to cyclical factors—the circumstance that we have been in a recession. But a good part appears to be due to what economists call "structural" factors.

Structural unemployment is just another name for what we used to call technological unemployment, except that it has a broader meaning. It means not merely the unemployment that results when, for example, a textile plant is fitted out with labor-saving machinery, and hand workers are displaced by automation. It also means what happens when the old textile plant in New England is abandoned, and the new automated plant is erected in North Carolina. It means what happens when homes and factories switch from coal to oil. Coal miners in West Virginia or Pennsylvania lose their jobs. Even if there are unfilled jobs elsewhere, the miners may not be able or willing to move away and learn new skills.

An Interlocking Problem

Several easy answers have been suggested for this problem. Certain labor leaders say: Just cut the working week from 40 to 30 hours—this will create more jobs overnight. Certain management men have an equally easy answer. Business, they say, has been forced to automate because of high labor costs. Just let labor agree to take a pay cut and there will be more jobs. Well you don't have to a politician to figure that these "solutions" are not as simple as they sound.

This particular problem of structural unemployment is inextricably interlocked with others. There is, for example, the broad question of economic growth. There is also the question of whether American goods can remain competitive in the world market. Can we hold our own against the rebuilt, modern industry of Western Europe and Japan with their relatively cheap labor?

This brings us again to the tough nut of our balance of payments. For some years now the total payments that we make abroad — for goods and services, for travel, for investment, for military operations and for foreign aid—have exceeded the payments foreigners make to us. In the years 1958, 1959, and 1960, we paid out $11 billion more than we took in. This situation became so alarming last year that people began to talk about possible devaluation of the dollar, and gold flowed out of the country in large amounts.

President Kennedy, it should be said, has shown himself acutely aware of the balance of payments problem. He gets high marks for making it perfectly clear both during the campaign and after taking office that he means to defend the integrity of the dollar at its present exchange rate with all the resources at his command.

Those resources are still very considerable. Including our gold stock and our rights to draw credit from the International Monetary Fund, they amount to some $22 billion.

The President's strong statements had an immediate effect in stopping the run on the dollar that had started last Fall. Losses of gold diminished, and last month we began to regain a little gold.

Only a Breathing Spell

We have a breathing spell—but we have as yet not solved the problem. We have merely gained a little time to try to find a way out of this and related problems—including technological change, structural unemployment, economic growth, high production costs, and inflation.

It is for this reason that the President has established the Advisory Committee on Labor-Management Policy on which I am privileged to serve.

It is, of course, too early to say whether the 21 members of this Committee will be able to make any important or practical contributions to the solution of this complex web of problems to which the President has asked us to address ourselves.

All of us will bring with us a certain freight of ideas, some of which I am sure we will have to throw into the sea before the long voyage is over. Accordingly, I should like the views I am about to give you to be regarded as preliminary and tentative, rather than hard and fast.

The President has set as his target a reduction in unemployment to not more than 4% of the labor force. This seems to me reasonable. It is a goal that should not put undue strain on the labor market, or tend to generate new inflationary wage-price spirals. It is also a rate that should permit some flexibility in our system and leave incentive for productive effort on the job. Reasonable as this goal is, we have not achieved it except momentarily since 1953.

The question of how much our unemployment is due to structural factors versus cyclical factors is fundamental to the problem of policy formulation and in no sense a merely academic question. The lag in job formation is, I believe, a consequence of both slow overall growth and rapid technological change. To deal with it we shall need several kinds of weapons in our arsenal.

Emphasis Placed on Fiscal Treatment

I would be disposed to put primary emphasis on fiscal and monetary policies to ensure that we have sufficient demand to keep our existing resources employed at relatively high rates. Because the balance of payments problem hampers the use of monetary policy on which we formerly relied as our main instrument, this means that more reliance must be put on fiscal policy in ensuring that the economy operates at high and stable levels of employment—a condition that is essential to regaining a more rapid rate of growth.

"Fiscal policy" is a term that is often used and seldom defined. By it I mean all of the taxing, spending and borrowing operations that the government conducts—all of the ways in which the Federal establishment puts money into the national economy or takes money out of it.

Sees Deflationary Gap

I am impressed by the arguments advanced by a number of economists to show that the fiscal policy we have been following has created a "deflationary gap" that represents a constant drag on the economy. What this means in plain English is that our tax system is taking such a heavy bite out of total demand that economic recovery loses its drive before a condition of full employment can be achieved. It is estimated that if the country should achieve full production and employment, the tax system would generate a surplus of something like $12 billion over present levels of expenditures. But the tax system is so oppressive that it keeps us from achieving full production. It nips off recovery short of the peak, as happened in 1960, and slows down the nation's rate of growth.

In theory, there are two ways that this "deflationary gap" could be closed. One would be to cut taxes. The other would be to increase spending.

Some spending increases obviously are on the way. And this fact seems to have restrained President Kennedy from asking for any reduction in taxes at this time. I am inclined to agree that it is too late now for a temporary tax cut to aid recovery; but I hope this will not mean indefinite postponement of long-range tax legislation.

Long Run Tax Reform

To achieve long-run growth and maximum utilization of our eco-

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The Economic Outlook Of the New Frontier

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nomic resources, I believe it is essential to undertake a thorough-going reform of our tax system, coupled with some reduction in the level of tax rates. And I believe that this task should be commenced at once, without waiting for the economy to go through another frustrating cycle of partial recovery, aborted boom, and recession.

It seems clear to me that it would be both unnecessary and unwise to try to close the deflationary gap by thrusting bigger and bigger spending programs at Congress. Let us spend what we must. But let us not put ourselves in the ridiculous position of spending simply to get back into circulation money that an unduly severe tax system has taken away from consumers and investors.

The problem of tax reform is not a new one. But it is an increasingly urgent one. It was a matter of much disappointment to me as a Republican that during eight years in office my party did not even attempt such an overhaul. Now with the Democrats in control of both the Executive and Legislative branches, the task ought not to be shirked.

I realize that it is already too late in the current session to expect the Congress to produce a major reform bill (although I regret that this job was not given a high priority at the start of the new Administration). Possibly we will have full recovery without action on the tax front. Frankly, I doubt it. I am concerned that without a tax cut and tax reform, we may see a repetition of the 1959-60 performance of the economy. And I believe that we can avoid it if the President and Congress will turn their most serious attention to this major national economic task. I believe it should have an absolutely top priority in the next session of Congress.

Aside from fiscal and monetary measures, there are a number of other things that we can do to promote economic growth and stability.

Increasing Labor Mobility

Consideration should be given, I think, to programs for increasing the mobility of the economy—that would lead available workers to the jobs that are opening up, and out of the job or industries or regions that are contracting.

The prime weapon in any such program must, of course, be education. Better education in our elementary and high schools, our colleges and universities, can spread the knowledge and skills that increase employment opportunities. Through education also the young people entering the labor market each year can be encouraged to seek employment in the service industries and elsewhere where demand is increasing instead of looking for work in a declining sector. Existing programs of on-the-job training in industry, apprentice training to give workers new skills, and graduate study programs both for training top new professionals and specialists, and for upgrading people who completed their academic work years ago are needed.

One thing is certain, we must not allow ourselves to get into the way of thinking of technological change as a hazard, or even as merely a "problem" to be coped with. On the contrary, paradoxical as it may seem, we need more rather than less of this accelerated scientific and technological progress in order to produce the faster economic growth we must have.

The discovery of new ideas, and the diffusion of those ideas throughout our system is the most important source of growth we have. In this area lies the strength of our system. It is on our scientific, intellectual and technological prowess and progress that the survival of our free political economy now depends.

I have been discussing our major problems largely from a domestic view, but implicit in all we say or do today is the struggle in which we are so deeply engaged between Communism and the Free World.

The capacity of any country to safeguard its own destiny and to influence nations and events is dependent upon that country's strength and vigor. Only a country with a vigorous, growing political economy can be independent and give leadership to other countries.

In the affairs of nations as of men, there comes a time of supreme testing where failure can only lead on to ultimate decline and fall. We are facing such a test today and the outcome is by no means certain. Can free men working together in a free system successfully meet the challenge of a system just as tough, resourceful and scientifically skilled as our own, that is closely planned, disciplined and directed with the precise purpose of surpassing us?

If the confident "yes" we give to that question is to be achieved we shall have to improve our ways of working together and still competing with each other, of managing our affairs for the national good without sacrificing the individual's rights. We shall need to bring to these years of troubled peace the same dedication and resolve we achieved in war. For the truth is, of course, we are still at war—a war to assure the survival of all that makes life for us worthwhile.

*An address by Mr. Bell before the Wine & Spirits Wholesalers of America, Inc., Honolulu, Hawaii, April 19, 1961.

F. H. L. B. Notes Are Marketed

Public offering of $238,000,000 Federal Home Loan Banks 3% consolidated notes dated May 15, 1961 and due Feb. 15, 1962 was made on May 3 by the Federal Home Loan Bank Board through Everett Smith, Fiscal Agent of the Federal Home Loan Banks and a group of securities dealers. The notes are priced at 100%.

Part of the net proceeds from the offering will be used to retire $100,000,000 notes which mature on May 15, and the balance added to funds available to meet the requirements of the members of the Home Loan Bank System, Mr. Smith said.

Upon issuance of the new notes and retirement of the notes maturing on May 15, outstanding indebtedness of the banks will total $955,075,000.

Florida Inv. Club Council to Meet

MIAMI BEACH, Fla.—The annual meeting of the Florida Council of the National Association of Investment Clubs will be held May 20 at the Hotel Seville.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

SAN LUIS OBISPO, Calif.—Robt. E. Bolman and Earl B. Fugate have joined the staff of Shearson, Hammill & Co. They were formerly with Walston & Co., Inc.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

An Answer to the Witch Doctors and Attila

If you are an employer of people, an industrialist, a salesman, a banker, a scientist, a composer, a writer, or anyone who thinks and creates, and you have been seeking a voice that can provide the answers to those who have been saying to you for years: "You are wrong. What you create does not belong to you but to us. You must think and create, and what you produce belongs to the state and to society, and to all the moochers and parasites whose only claim to this production is that they NEED IT," then read a little book, written by Ayn Rand, entitled the "NEW INTELLECTUAL." It is published by Random House; your book store will have it.

Those of us who have been defending principles in a fog for years, and have not had the answers to the twisted canabalistic morality of the self-styled liberals, take heed. These "liberals" are the ones who would command Doctors who have studied years and years to give their skill to the state—they are the ones who see no immorality in a society that allows a government to impose iniquitous taxation upon the most productive and creative of its citizens, while it offers tax exemptions to labor monopolies and socialistic combines that unfairly compete against them. They are the ones who believe that all the wealth belongs to all the people because there is land, water and air everywhere, but they do not recognize that men's minds and their actions created the tools, our great industries, and all the scientific and medical advances of the past two glorious centuries. They are the ones who do not understand that there can be no freedom of any kind without economic freedom—but a voice has been raised that shouts NO to all this immorality.

Compulsion and Mysticism

Miss Rand clearly defines the issue today. She points out that down through the ages, even since the time of Aristotle, the world suffered in darkness. Except for the period known as the Renaissance, which was only a short interlude of enlightenment, nothing but death and slavery followed the decline of the Roman Empire. The dark ages with their misery and mysticism scourged the world for two thousand years until a great birth of FREEDOM opened the world to man with the writing of the Constitution of this nation. Ayn Rand speaking: "The first society in history whose leaders were neither Attilas nor Witch Doctors, a society led, dominated and created by the PRODUCERS, was the United States of America. The moral code implicit in its principles was not the Witch Doctor's code of self-sacrifice. The political principles embodied in its Constitution was not Attila's blank check or brute force, but men's protection AGAINST any future Attila's ambition.

"The founding fathers were neither passive, death worshiping mystics, nor power seeking looters; as a political group they were THINKERS who were men of action. They believed in a society based on reason and the conceptual level of man's consciousness. A society dominated by the philosophy of reason, has no place for the rule of fear or guilt."

It was only then, when men's minds became free to think ond to act without compulsion, that the great outburst of material prosperity broke forth in this nation and then spread througout the western world. It was only when man became free to ask "why," to create and to KEEP THE FRUITS of his labor that this great miracle happened. Not until later years when our politicians once again took up the cry of the Attilas and the Witch Doctors did our progress stop. Not until they began to say, "You who work and create, your profit is evil, you shouldn't make so much, we will tax you on a graduated scale, the more you earn the more we will take, and we will give it to society, to those who need, whether they are lazy, indolent, or just plain moochers. Your profit is evil. Would you put a man's body above worldly possessions? As if it were possible to separate a man's property from himself, but they do not see that this is impossible.

And Ayn Rand asks: "From whence has come your homes, your cars, your great transportation systems, your short work week, your improved food, your increased longevity, your televisions, and your radios? Surely not from those politicians who tell you that profit is evil, that production is a curse, and that a few men in Washington did it and will see that it continues to be done. The land has always been here, the minerals, the sea, the air is the same that exists in the stinking jungles of India, the barren wastes of Russia, the heart of Africa and the bowels of China.

"Why then, here alone in all the world have men had a better life than ever before on earth anywhere? Not because of the labor unions who falsely proclaim it was they alone who shortened the work week from sixty to thirty-eight hours and eliminated the sweat shop, or the politicians who shove car-loads of forms and endless hours of drudgery down the throats of American industry every day in the year — but it came from the thinkers and the doers of this nation.

"It came from men who created the great corporations, the steel mills, the banking system, the scientists who look into the heart of matter, the salesmen who distribute these goods and services, as well as those who work with a broom and lathe. And every-time a CREATOR, whether he be a doctor performing a meticulous brain operation, or an engineer building a better machine, or an investment banker creating a new company, finds a better way of doing anything EVERYONE BENEFITS including the creator. Stop him and you will have a jungle, a desert, and a return to the dark ages of death and slavery. Protect his right to work, and create, and keep the fruits of his work and you will have the greatest material and social advances of all history. Protect the philosopher, the composer, the artist, anyone who creates in freedom from those who would compel him to work under compulsion and you will see a cultural advance that will equal the material progress such an age would automatically provide."

Decadence

"And why," asks Ayn Rand, "is there talk today of this nation's waning power? Why, despite the efforts of the politicians to solve unemployment we still cannot do so? Only during the hell of war in the past 30 years, when men were taken off the streets and given guns, has there been full employment. Why are we so weak and impotent in our dealings with the Red Attilas of Russia? Why is there so much juvenile delinquency? Totalitarians, collectivists, statists, pseudo-liberals and Mystics tell us that the men in Washington have the answers. We should follow those who seek power, votes and popularity—who again follow the mob and its thinking but do not lead. Where is the leadership the whole world seeks and will follow?

"The answer is simple—return to the Constitution and the intentions of the founders of this nation. Take the heavy hand of political favoritism and iniquitous taxation off the backs of the nation's businessmen, scientists, writers, doctors, salesmen, bankers and all of its creative and productive people whether they run a store, a lathe, or a factory. Rid us of your labor monopolies, and let us create. Take your wishy-washy politicians out of our way and give us men in Washington who will not evade evil, deal with it, talk with it, or heed it, and the whole world will follow us to freedom and victory. Rid us of all your polygot, gutless, self-styled liberals whose only answer to Russia is to give away more billions of our money to greedy little men in stink holes all over the world, and stop being held up at the point of a gun—then you will see a rebirth of freedom here and all over the globe."

Don't Be Intimidated

Miss Rand's message is — for centuries there have been two groups that have misled and punished the rest of mankind. The first group have used naked power to take the PRODUCER'S just rewards from him. The second group have been the Witch Doctors who have brain-washed men's minds into believing that man's place in the universe is not something grand and worthwhile, not a life of happiness and striving, but a morass of hopelessness where every creator, thinker and producer must work for the benefit of others but never for himself. This was the world of slavery, and of filth that existed for thousands of years before those men wrote our Constitution and they said, "Create, and build, in freedom, but never under compulsion." All that is wrong in our country today is that we are once again following the witch doctors of psuedo-liberalism and statism, and the Attilas of government who tell us—"we have the answers, work for us, for those who need, and they shall come first and you last."

If you are looking for a moral philosophy of your own, if you still believe that life can be happy and noble and there is value to production and the contribution you are making to the world, it may pay you to read this book.

Piersol, O'Brien, Lucas, Eisen Merge

KANSAS CITY, Mo.—Piersol, O'Brien & Adams, Inc. has been merged into Lucas, Eisen & Waeckerle, Inc. and the firm name has been changed to Parker/Eisen/Waeckerle/Adams & Purcell, Inc. Offices of the company, which will act as underwriters and distributors of municipal and corporate bonds, stocks and mutual funds, will be located at 1012 Baltimore Avenue. The firm is a member of the Midwest Stock Exchange.

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)	May 7	64.0	61.0	56.0	74.8
Equivalent to—					
Steel ingots and castings (net tons)	May 7	1,858,000	1,784,000	1,632,000	2,132,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Apr. 21	7,244,760	7,248,810	7,366,060	7,048,310
Crude runs to stills—daily average (bbls.)	Apr. 21	7,765,000	7,789,000	7,897,000	7,967,000
Gasoline output (bbls.)	Apr. 21	26,963,000	27,994,000	28,458,000	28,246,000
Kerosene output (bbls.)	Apr. 21	2,614,000	2,462,000	2,637,000	2,105,000
Distillate fuel oil output (bbls.)	Apr. 21	11,217,000	11,487,000	11,831,000	12,678,000
Residual fuel oil output (bbls.)	Apr. 21	5,980,000	5,581,000	6,639,000	6,164,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Apr. 21	222,225,000	223,176,000	226,668,000	221,552,000
Kerosene (bbls.) at	Apr. 21	26,447,000	26,494,000	25,359,000	19,113,000
Distillate fuel oil (bbls.) at	Apr. 21	84,622,000	86,634,000	90,803,000	78,408,000
Residual fuel oil (bbls.) at	Apr. 21	41,791,000	42,312,000	42,091,000	38,813,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Apr. 22	533,435	522,386	500,333	625,410
Revenue freight received from connections (no. of cars)	Apr. 22	489,166	479,129	472,809	538,640
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Apr. 27	$555,000,000	$457,500,000	$405,100,000	$493,100,000
Private construction	Apr. 27	259,500,000	241,700,000	234,400,000	273,300,000
Public construction	Apr. 27	295,500,000	215,800,000	170,600,000	219,800,000
State and municipal	Apr. 27	212,000,000	178,400,000	137,600,000	161,100,000
Federal	Apr. 27	83,500,000	37,400,000	33,000,000	58,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Apr. 22	7,405,000	*7,020,000	6,625,000	8,668,000
Pennsylvania anthracite (tons)	Apr. 22	333,000	293,000	334,000	275,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Apr. 22	144	130	140	146
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Apr. 29	14,254,000	14,311,000	14,163,000	13,656,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Apr. 27	369	320	350	325
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Apr. 24	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Apr. 24	$66.44	$66.44	$66.44	$66.41
Scrap Steel (per gross ton)	Apr. 24	$37.50	$37.63	$39.17	$33.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Apr. 26	28.600c	28.600c	28.600c	32.600c
Export refinery at	Apr. 26	27.875c	27.825c	27.425c	33.225c
Lead (New York) at	Apr. 26	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Apr. 26	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Apr. 26	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	Apr. 26	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	Apr. 26	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Apr. 26	108.000c	107.500c	104.625c	99.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 2	89.04	88.83	87.94	87.27
Average corporate	May 2	87.59	87.72	88.40	85.07
Aaa	May 2	91.77	91.91	92.79	89.37
Aa	May 2	90.06	90.06	91.34	87.32
A	May 2	87.18	87.18	88.13	84.55
Baa	May 2	82.03	82.15	82.15	79.37
Railroad Group	May 2	85.07	85.20	85.33	82.52
Public Utilities Group	May 2	88.95	89.23	89.78	85.46
Industrials Group	May 2	88.95	88.95	90.34	87.05
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 2	3.69	3.71	3.80	4.13
Average corporate	May 2	4.59	4.58	4.53	4.78
Aaa	May 2	4.29	4.28	4.22	4.46
Aa	May 2	4.41	4.41	4.32	4.61
A	May 2	4.62	4.62	4.55	4.82
Baa	May 2	5.02	5.01	5.01	5.24
Railroad Group	May 2	4.78	4.77	4.76	4.93
Public Utilities Group	May 2	4.49	4.47	4.43	4.75
Industrials Group	May 2	4.49	4.49	4.39	4.63
MOODY'S COMMODITY INDEX	May 2	369.5	366.2	366.7	378.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Apr. 22	306,093	296,339	304,866	291,909
Production (tons)	Apr. 22	322,181	315,490	313,642	291,076
Percentage of activity	Apr. 22	92	93	91	86
Unfilled orders (tons) at end of period	Apr. 22	419,627	435,615	426,654	413,884
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Apr. 28	113.02	113.02	112.03	110.26
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Apr. 7	4,594,930	3,006,590	4,445,560	2,369,270
Short Sales	Apr. 7	921,740	498,380	943,110	421,380
Other sales	Apr. 7	3,387,740	2,504,460	3,431,400	1,830,720
Total sales	Apr. 7	4,309,480	3,002,840	4,374,510	2,252,100
Other transactions initiated off the floor—					
Total purchases	Apr. 7	695,200	454,150	775,770	385,710
Short Sales	Apr. 7	134,300	34,540	71,900	63,000
Other sales	Apr. 7	589,820	425,290	674,940	315,200
Total sales	Apr. 7	724,120	459,830	746,840	378,200
Other transactions initiated on the floor—					
Total purchases	Apr. 7	1,330,847	870,880	1,285,500	864,555
Short Sales	Apr. 7	292,370	112,390	219,520	128,100
Other sales	Apr. 7	1,464,741	1,006,205	1,155,839	769,115
Total sales	Apr. 7	1,757,111	1,118,595	1,375,359	897,215
Total round-lot transactions for account of members—					
Total purchases	Apr. 7	6,620,977	4,331,620	6,506,830	3,619,535
Short Sales	Apr. 7	1,348,410	645,310	1,234,530	612,430
Other sales	Apr. 7	5,442,301	3,935,955	5,262,179	2,915,035
Total sales	Apr. 7	6,790,711	4,581,265	6,496,709	3,527,515
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	Apr. 7	3,061,349	1,980,019	2,948,440	1,686,362
Dollar value	Apr. 7	$156,089,293	$101,903,733	$150,003,866	$85,698,984
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Apr. 7	3,077,144	2,076,186	3,068,913	1,495,955
Customers' short sales	Apr. 7	8,160	4,147	12,474	10,082
Customers' other sales	Apr. 7	3,068,984	2,072,039	3,056,439	1,485,873
Dollar value	Apr. 7	$145,401,325	$101,461,999	$144,166,246	$76,255,342
Round-lot sales by dealers—					
Number of shares—Total sales	Apr. 7	935,400	653,060	924,720	395,960
Short Sales	Apr. 7	------	------	------	------
Other sales	Apr. 7	935,400	653,060	924,720	395,960
Round-lot purchases by dealers—Number of shares	Apr. 7	907,540	578,110	809,800	613,770
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	Apr. 7	1,473,930	742,990	1,488,320	759,470
Other sales	Apr. 7	29,149,630	20,482,800	29,121,200	4,193,770
Total sales	Apr. 7	30,623,560	21,225,790	30,609,520	14,953,240
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Apr. 25	119.4	119.5	119.5	119.3
Farm products	Apr. 25	88.1	88.9	88.8	90.1
Processed foods	Apr. 25	108.7	108.7	109.4	105.7
Meats	Apr. 25	93.9	94.1	95.7	95.7
All commodities other than farm and foods	Apr. 25	128.1	†128.0	127.9	128.6

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN RAILWAY CAR INSTITUTE— Month of March:			
Orders for new freight cars	1,796	1,536	1,957
New freight cars delivered	3,874	1,958	5,950
Backlog of cars on order and undelivered (end of month)	15,801	18,429	42,131
AMERICAN TRUCKING ASSOCIATION, INC.— Month of February:			
Intercity general freight transport by 358 carriers (in tons)	4,731,672	4,987,180	5,406,422
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of March (in millions):			
Total new construction	3,871	3,587	3,866
Private construction	2,756	2,577	2,875
Residential buildings (nonfarm)	1,420	1,287	1,600
New dwelling units	1,022	926	1,235
Additions and alterations	308	271	298
Nonhousekeeping	90	90	67
Nonresidential buildings	807	826	761
Industrial	248	260	233
Commercial	325	327	302
Office buildings and warehouses	171	176	157
Stores, restaurants, and garages	154	151	145
Other nonresidential buildings	234	239	229
Religious	74	77	76
Educational	46	47	43
Hospital and institutional	54	53	47
Social and recreational	43	45	46
Miscellaneous	17	17	17
Farm construction	103	79	100
Public utilities	404	364	395
Telephone and telegraph	82	82	80
Other public utilities	322	282	315
All other private	22	21	19
Public construction	1,115	1,010	991
Residential buildings	61	59	57
Nonresidential buildings	395	357	334
Industrial	34	35	29
Educational	236	212	200
Hospital and institutional	29	26	31
Administrative and service	47	40	38
Other nonresidential buildings	49	44	36
Military facilities	96	82	92
Highways	286	267	253
Sewer and water systems	118	106	118
Sewer	68	60	72
Water	50	46	45
Public service enterprises	40	34	38
Conservation and development	95	85	84
All other public	24	20	15
COAL EXPORTS (BUREAU OF MINES)— Month of February:			
U. S. exports of Pennsylvania anthracite (net tons)	89,089	134,257	104,595
To North and Central America (net tons)	75,375	72,545	81,335
To Europe (net tons)	12,836	51,581	13,851
To South America (net tons)	------	1,934	9,358
To Asia (net tons)	878	8,197	51
COAL OUTPUT (BUREAU OF MINES)—Month of March:			
Bituminous coal and lignite (net tons)	29,484,000	28,285,000	39,102,000
Pennsylvania anthracite (net tons)	1,463,000	*1,756,000	1,680,000
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on April 1	19,773,000	19,793,000	19,969,000
Spinning spindles active on April 1	17,430,000	17,451,000	17,602,000
Active spindle hours (000's omitted) April 1	10,253,000	8,190,000	11,126,000
Active spindle hrs. for spindles in place Mar.	410.0	409.5	445.0
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of March:			
All manufacturing (production workers)	11,384,000	11,409,000	12,435,000
Durable goods	6,329,000	6,369,000	7,205,000
Nondurable goods	5,055,000	5,040,000	5,230,000
Employment indexes (1947-49 avg.=100)—			
All manufacturing	92.0	92.2	100.5
Payroll indexes (1947-49 Avg.=100)—			
All manufacturing	157.7	156.6	172.6
Estimated number of employees in manufacturing industries—			
All manufacturing	15,453,000	15,477,000	16,478,000
Durable goods	8,766,000	8,808,000	9,630,000
Nondurable goods	6,687,000	6,669,000	6,848,000
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS—INSTITUTE OF LIFE INSURANCE—Month of February:			
Death benefits	$292,200,000	$304,200,000	$282,500,000
Matured endowments	56,500,000	62,900,000	57,300,000
Disability payments	10,200,000	11,900,000	9,900,000
Annuity payments	61,900,000	81,200,000	58,500,000
Surrender values	139,800,000	138,500,000	129,400,000
Policy dividends	122,600,000	112,500,000	119,000,000
Total	$683,200,000	$711,200,000	$656,600,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of March (000's omitted):			
Ordinary	$4,685,000	$3,975,000	$3,937,000
Industrial	605,000	526,000	567,000
Group	3,589,000	826,000	895,000
Total	$8,879,000	$5,327,000	$5,399,000
METAL OUTPUT (BUREAU OF MINES)— Month of February:			
Mine production of recoverable metals in the United States—			
Gold (in fine ounces)	115,486	*131,310	107,296
Silver (in fine ounces)	2,729,016	*3,042,456	2,394,944
Copper (in short tons)	87,193	*97,255	75,190
Lead (in short tons)	20,885	*23,172	22,433
Zinc (in short tons)	39,160	*40,346	38,019
MONEY IN CIRCULATION—TREASURY DEPT. As of Feb. 28 (000's omitted)	$31,800,000	$31,800,000	$31,600,000
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of Mar. 15:			
All farm products	243	244	241
Crops	224	221	222
Commercial vegetables, fresh	213	213	249
Cotton	240	227	238
Feed, grain and hay	150	150	153
Food grains	208	209	210
Fruit	260	259	228
Oil-bearing crops	264	250	213
Potatoes	161	172	223
Tobacco	517	517	494
Livestock	259	263	257
Dairy products	257	266	256
Meat animals	309	309	309
Poultry and fish	160	169	153
Wool	226	224	243
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of Feb. (000's omitted):			
Exports	$1,671,500	$1,646,700	$1,575,500
Imports	1,045,900	1,123,600	1,280,100

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

• ACR Electronics Corp. (5/25)
Feb. 27, 1961 refiled 125,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For salaries of additional personnel, liquidation of debt, research and the balance for working capital. **Office**—551 W. 22nd St., New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

• Accesso Corp. (5/22-26)
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.
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.

Action Discount Dollars Corp.
April 14, 1961 (letter of notification) 42,500 units, each unit to consist of one share of common stock (par one cent) and one share of class A stock (par $1). **Price**—$7 per unit. **Business**—The sale and redemption of trading stamps. **Proceeds** — For printing trading stamps, catalogues; advertising and franchise development. **Office**—26 Broadway, New York, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

A-Drive Auto Leasing System, Inc.
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). **Offering**—Imminent.

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 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.

• Aerojet-General Corp. (5/8-12)
April 11, 1961 filed $15,000,000 of sinking fund debentures, due 1981. **Price**—To be supplied by amendment. **Business**—This subsidiary of General Tire & Rubber Co., is engaged in the research, development and manufacture of rocket engines and propellants for military and space exploration purposes. **Proceeds**—For the repayment of debt. **Office**—1100 West Hollyvale St., Azusa, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in late May.

Aerotest Laboratories Inc. (5/22-26)
March 24, 1961 filed 100,000 shares of common stock, (par 10 cents), of which 40,000 shares are to be offered for public sale by the company and 60,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The testing of components and systems designed and manufactured under government contracts by companies in the missile, space, electronic and aircraft industries. **Proceeds**—To repay loans, buy additional equipment and for working capital. **Office**—Deer Park, L. I., N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Airwork Corp. (5/8-12)
March 17, 1961 filed $1,500,000 of 6% subordinated debentures, due May 1, 1976 and 10-year warrants to purchase 125,000 shares of common stock, to be offered for public sale in units consisting of $1,000 of debentures and an unattached warrant to purchase an undisclosed number of common shares. **Price** — To be supplied by amendment. **Business**—The overhaul and sale of aircraft engines, instruments and accessories. **Proceeds**—To repay bank loans and for working capital. **Office**—Millville, N. J. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

Alaska Creamery Products, Inc.
Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—To be named.

★ Aldens, Inc.
April 21, 1961 filed $15,000,000 of sinking fund debentures due 1981. **Business**—The mail order and retail sale of merchandise. **Proceeds**—For general funds. **Office**—5000 W. Roosevelt Road, Chicago, Ill. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Expected in early June.

★ Allegheny Ludlum Steel Corp.
May 1, 1961 filed $15,000,000 of sinking fund debentures due June 1, 1986. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of steel and other special alloys and metals. **Proceeds**—To prepay a bank loan and for other corporate purposes. **Office** — 2000 Oliver Building, Pittsburgh, Pa. **Underwriters** — First Boston Corp., and Smith, Barney & Co., Inc., New York City (managing).

Allison Business Services, Inc.
April 17, 1961 (letter of notification) 100,000 shares of capital stock (par 10 cents). **Price**—$3 per share. **Business**—The supplying of temporary office personnel. **Proceeds**—To purchase assets of Rapid Computing Co., Inc. and for general corporate purposes. **Office**—122 E. 42nd Street, New York, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

★ Almar Rainwear Corp.
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter**—D. H. Blair & Co., New York City (managing).

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 Broadcasting-Paramount Theatres Inc. (5/23)
April 12, 1961 filed 140,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The operation of television, radio and motion picture theatre facilities and phonograph records and music publishing. **Proceeds**—For the selling stockholder. **Office**—7 West 66th St., New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Cyrus J. Lawrence & Sons, both of New York City (managing).

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 Facsimile Corp.
April 28, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of facsimile communication equipment. **Proceeds**—For equipment; sales promotion and advertising; research and development, and working capital. **Office**—160 Coit Street, Irvington, N. J. **Underwriter**—Shell Associates, Inc., New York, N. Y.

American Finance Co., Inc.
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Expected in late June.

American Financial Corp. (5/22-26)
March 24, 1961 filed 175,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of three Ohio savings and loan associations, an automobile and truck leasing business, and a small building contracting business in southern Ohio. **Proceeds**—The repayment of debt and for general corporate purposes. **Office**—3955 Montgomery Road, Norwood, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio (managing).

Bond Club Names Field Day Chman.

The annual Field Day of the Bond Club of New York will be held this year on Friday, June 2, according to an announcement by Raymond D. Stitzer of White, Weld & Co., President of the club. This year will mark the 37th outing for the Bond Club which will take place at the Sleepy Hollow Country Club, Scarborough, New York.

Robert M. Gardiner of Reynolds & Co. has been named Field Day Chairman this year. Assisting him will be four General Chairmen: Robert A. W. Brauns of McDonnell & Co., Inc.; Francis A. Cannon of The First Boston Corp.; John Howard Carlson of Carl M. Loeb, Rhoades & Co.; and Howard B. Dean of Harris, Upham & Co.

Heading the 13 committees appointed to supervise sports, entertainment and other activities at the outing are the following Chairmen: Attendence, Charles M. Litzel of White, Weld & Co.; Arrangements, Richard E. Boesel, Jr. of Hayden, Stone & Co.; Stock Exchange, James D. Casey, Jr. of A. C. Allyn and Co., Inc.; Entertainment, Sydney G. Duffy of Blyth & Co., Inc.; Special Features, James M. King, Jr. of Francis I. duPont & Co.; Golf, John F. Bryan of Reynolds & Co.; Food & Beverage, Andrew F. Peck of Clark, Dodge & Co. Inc.; *Bawl Street Journal*, Arne Fuglestad of Burns Bros. & Denton, Inc.; Trophy, Worthington Mayo-Smith of Blair & Co. Inc.; Publicity, William H. Long, Jr. of Doremus & Co.; Tennis, Richard C. Egbert of Estabrook & Co.; Circulation, Rollin C. Bush of The First National City Bank of New York; Trap Shooting, George Howard, Jr. of Harris, Upham & Company.

G. S. Titcomb Opens

BALDWINSVILLE, N. Y.—G. S. Titcomb is engaging in a securities business. Mail address is Box 145.

Sterling, Grace To Admit Gade, Hambrecht

Sterling, Grace & Co., 50 Broad Street, New York City, members of the New York Stock Exchange, on May 9 will admit Herman Gade and William R. Hambrecht to partnership. Both are officers of Security Associates, Inc. of Winter Park, Fla., which is being dissolved.

Seskis Wohlstetter To Admit Adler

Seskis & Wohlstetter, 50 Broadway, New York City, members of the New York Stock Exchange, as of May 4 have admitted Jack P. Adler, Exchange member, to partnership. Mr. Adler was formerly a partner in Burnham and Company.

● **American Gas Co. (5/12-26)**
March 22, 1961 filed 101,081 shares of common stock to be offered for subscription by stockholders on the basis of 2.7 new shares for each share held of record May 12 with rights to expire about May 26. **Price** — $3.50 per share. **Proceeds**—To repay bank loans and for construction. **Office**—546 South 24th Ave., Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing).

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. 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 Surety Co. of New York**
April 27, 1961 (letter of notification) 6,540 shares of capital stock (par $6.25). **Price**—$20 per share. **Business**—Insurance. **Proceeds**—For working capital and expansion. **Office**—100 Broadway, New York, N. Y. **Underwriter**—None.

Amity Corp. (5/22-26)
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.

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. **Offering** — Imminent.

Apache Corp.
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

Apache Realty Corp.
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

★ **Architectural Plastics Corp.**
April 20, 1961 (letter of notification) 103,191 shares of common stock (par $1) of which 26,326 shares are to be offered by the company and 76,865 shares by the underwriter. **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—1355 River Road, Eugene, Ore. **Underwriter**—Zilka, Smither & Co., Inc., Portland, Ore.

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price**—22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

Arizona Public Service Co. (5/23-6/13)
April 21, 1961 filed 488,986 shares of common stock (par $2.50), to be offered for subscription by common stockholders on the basis of one new share for each 15 shares held of record on May 23, with rights to expire June 13. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—First Boston Corp., and Blyth & Co., Inc. (managing).

Arkansas Power & Light Co. (5/15)
March 23, 1961 this subsidiary of Middle South Utilities filed $12,000,000 of first mortgage bonds, due 1991. **Office**—Ninth and Louisiana Streets, Little Rock, Ark. **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 15 at 11:30 a.m. (DST).

★ **Armco Steel Corp.**
May 2, 1961 filed $50,000,000 of debentures due June 1, 1986. **Price**—To be supplied by amendment. **Proceeds**—To prepay a bank loan and for expansion. **Office**—703 Curtis St., Middletown, O. **Underwriter**—Smith, Barney & Co., Inc., New York City (managing).

Arrow Electronics, Inc.
March 30, 1961 filed 165,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—The distribution of electronic equipment including high fidelity, radio and television components. **Proceeds**—To repay loans, expand facilities and for working capital. **Office** — 525 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York City. **Offering**—Expected in June.

Astek Instrument Corp.
March 17, 1961 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacture of flight instruments and control systems for missiles, space vehicles and aircraft. **Proceeds**—For leasehold improvements, furniture and equipment, the purchase of equipment, and working capital. **Office** — Armonk, N. Y. **Underwriter** — M. H. Woodhill, Inc., New York, N. Y.

Atlantic Fund for Investment in U. S. Government Securities, Inc.
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).

Automated Procedures Corp.
April 7, 1961 filed 110,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business**—The company offers customized data processing service which involves the breaking up of complex accounting operations into simple tasks performable by its machines. **Proceeds**—To purchase additional equipment. **Office** — 71 West 23rd Street, New York City. **Underwriter**—Jay W. Kaufmann & Co., New York City.

● **Automation Development, Inc. (5/15-19)**
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., and United Planning Corp., Newark, N. J.

Automotive Vacuum Control Corp.
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

B. M. C. Industries, Inc. (5/15)
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.

● **BarChris Construction Corp. (5/8-12)**
March 30, 1961 filed $3,500,000 of convertible subordinated debentures, due May 1, 1976. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of bowling alleys and bowling equipment. **Proceeds**—For construction of a new plant, development of new products and working capital. **Office**—35 Union Square West, New York City. **Underwriter**—Drexel & Co., New York City (managing).

● **Beam (James B.), Distilling Co. (5/8-12)**
March 24, 1961 filed 200,000 outstanding common shares. **Price**—To be supplied by amendment. **Business**—The production of whiskeys, vodka, brandies and cordials. **Proceeds**—For the selling stockholders. **Office**—65 East South Water Street, Chicago, Ill. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

★ **Bel-Aire Products, Inc.**
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International equities Co., Miami, Fla.

● **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. **Offering**—Imminent.

● **Blatt (M.) Co. (5/8)**
Feb. 28, 1961 filed 115,000 shares of common stock (par 25 cents). **Price** — $6 per share. **Business**—The issuer manufactures and installs bowling lanes and related equipment. **Proceeds** — For expansion, new equipment, the repayment of debts and for working

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NEW ISSUE CALENDAR

May 4 (Thursday)

Chicago, Burlington & Quincy RR.__**Equip. Tr. Ctfs.**
(Bids 12 noon CDST) $4,800,000

May 5 (Friday)

Leeds Homes, Inc.__**Units**
(J. C. Bradford & Co.) 100,000 units

May 8 (Monday)

Aerojet-General Corp.__**Debentures**
(Kidder, Peabody & Co. $15,000,000

Airwork Corp.__**Units**
(Auchincloss, Parker & Redpath) $1,500,000

BarChris Construction Corp.__**Debentures**
(Drexel & Co.) $3,500,000

Beam (James B.) Distilling Co.__**Common**
(Goldman, Sachs & Co.) 200,000 shares

Blatt (M.) Co.__**Common**
(Maltz, Greenwald & Co.; Clayton Securities Corp.; Rodetsky, Kleinzahler, Walker & Co. and L. C. Wegard & Co.) 100,000 shares

Economy Book Co.__**Common**
(Hayden, Stone & Co.) 150,000 shares

Electro-Mechanical Corp.__**Common**
(Manufacturers Securities Corp.) $224,200

Electronic Assistance Corp.__**Common**
(Hayden, Stone & Co.) 110,000 shares

Emmer Glass Corp.__**Common**
(Clayton Securities Corp.) $760,000

Harvey-Wells Corp.__**Common**
(Schirmer, Atherton & Co.) $300,000

Kawecki Chemical Co.__**Debentures**
(Carl M. Loeb, Rhoades & Co.) $3,500,000

National Bagasse Products Corp.__**Units**
(S. D. Fuller & Co. and Howard, Weil, Labouisse, Friedrichs & Co.) $2,654,370

National Food Marketers, Inc.__**Common**
(Robert Edelstein Co., Inc.) $400,000

Northern Instrument Corp.__**Common**
(I. R. E. Investors Corp.) $300,000

Opelika Manufacturing Corp.__**Common**
(Glore, Forgan & Co.) 200,000 shares

Stratton Corp.__**Debentures**
(Cooley & Co.) $550,000

Tassette, Inc.__**Class A**
(Amos Treat & Co. Inc.) $2,400,000

Thrift Courts of America, Inc.__**Units**
(Myron A. Lomasney & Co.) $1,600,000

May 9 (Tuesday)

Marcon Electronics Corp.__**Common**
(Meade & Co.) $300,000

Peoples Gas Light & Coke Corp.__**Bonds**
(Bids 10 a.m. CDST) $30,000,000

May 10 (Wednesday)

Decitron Electronics Corp.__**Common**
(M. L. Lee & Co.) $100,000

Milliken (D. B.) Co.__**Debentures**
(Lester, Ryons & Co.) $240,000

New York Central RR.__**Equip. Trust Ctfs.**
(Bids to be received) $4,155,000

May 11 (Thursday)

Sierra Pacific Power Co.__**Bonds**
(Bids 11 a.m. DST) $6,500,000

May 12 (Friday)

American Gas Co.__**Common**
(Offering to stockholders—underwritten by Cruttenden, Podesta & Co.) $353,783

May 15 (Monday)

Arkansas Power & Light Co.__**Bonds**
(Bids 11:30 a.m. DST) $12,000,000

Automation Development, Inc.__**Common**
(First Philadelphia Corp. and United Planning Corp.) $150,000

B. M. C. Industries, Inc.__**Units**
(International Services Corp.) $575,000

Burgmaster Corp.__**Common**
(Shearson, Hammill & Co.) 190,000 shares

Consolidated Activities, Inc.__**Debentures**
(G. F. Nicholls & Co., Inc.) $1,000,000

Consolidated Activities, Inc.__**Common**
(G. F. Nicholls & Co., Inc.) $175,000

Criterion Insurance Co.__**Common**
(Offering to stockholders—no underwriting) $3,090,000

Dean Milk Co.__**Common**
(A.G. Becker & Co.) 150,093 shares

Dodge Wire Corp.__**Common**
(Plymouth Securities Corp.) $600,000
(Robert M. Harris & Co. Inc.) $340,000

Golden Triangle Industries, Inc.__**Common**

Howard Johnson Co.__**Common**
(Blyth & Co. Inc. and F. S. Moseley & Co., co-managers) 660,000 shares

Income Planning Corp.__**Units**
(Espy & Wanderer, Inc.) $200,000

Irvington Steel & Iron Works__**Common**
(L. L. Fane & Co., Inc.) $300,000

King Kullen Grocery Co., Inc.__**Class A**
(Hemphill, Noyes & Co. and Estabrook & Co.) 180,000 shares

Matthews Corp.__**Common**
(Holton, Henderson & Co. and Sellgren, Miller & Co.) $300,000

Metropolitain Securities, Inc.__**Common**
(Metropolitan Brokers Inc.) $300,000

Microwave Associates, Inc.__**Common**
(Lehman Brothers) 240,000 shares

Mohawk Insurance Co.__**Common**
(R. F. Dowd & Co., Inc.) $900,000

North Electric Co.__**Common**
(Offering to stockholders—no underwriting) 22,415 shares

One Maiden Lane Fund, Inc.__**Common**
(G. F. Nicholls & Co. Inc.) $900,000

Rocket Jet Engineering Corp.__**Common**
(Thomas Jay, Winston & Co., Inc. and Maltz, Greenwald & Co.) 110,000 shares

Stein, Hall & Co. Inc.__**Common**
(F. Eberstadt & Co.) 250,000 shares

U. S. Mfg. & Galvanizing Corp.__**Common**
(Armstrong & Co., Inc.) $300,000

Vector Engineering, Inc.__**Common**
(Omega Securities Corp.) $300,000

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Waltham Watch Co.________________________Units
(P. J. Gruber & Co. Inc.) 4,000 units

Warner Brothers Co.____________________Common
(Lehman Brothers) 200,000 shares

Wayne-George Corp.____________________Common
(Hayden, Stone & Co.) 80,000 shares

May 16 (Tuesday)

Car Plan System, Inc.___________________Common
(R. F. Dowd & Co., Inc.) $300,000

Elion Instruments, Inc.____________________Capital
(Warner, Jennings, Mandel & Longstreth) 60,000 shares

General Economics Corp.________________Common
(Continental Planning Co.) $650,000

Harcourt Brace & World, Inc.____________Common
(White, Weld & Co., Inc.) 101,398 shares

New York State Electric & Gas Corp._______Bonds
(Bids 11 a.m. DST) $25,000,000

Stocker & Yale, Inc.______________________Common
(First Weber Securities Corp.) $300,000

Tennessee Gas Transmission Co.________Debentures
(Stone & Webster Securities Corp.; White, Weld & Co. and Halsey, Stuart & Co. Inc.) $75,000,000

Transistor Applications, Inc.____________Common
(First Weber Securities Corp.) $300,000

Wolf Corporation _____________________ Class A
(No underwriting) $300,000

May 17 (Wednesday)

Morton Mfg. Corp. ______________________Common
(Smith, Barney & Co.) 100,000 shares

Pennsylvania Electric Co.___________________Bonds
(Bids 11 a.m. DST) $10,000,000

Upper Peninsula Power Co.______________Common
(Kidder, Peabody & Co.; Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp.) 26,000 shares

May 18 (Thursday)

Federal Paper Board Co., Inc.__________Debentures
(Goldman, Sachs & Co.) $20,000,000

Interstate Power Co.________________________Bonds
(Bids 11 a.m. DST) $9,000,000

Interstate Power Co.______________________Common
(Offering to stockholders—Bids 11 a.m. DST) 223,833 shares

May 22 (Monday)

Accesso Corp.________________________________Units
(Ralph B. Leonard & Sons, Inc.) $600,000

Aerotest Laboratories Inc.________________Common
(Hayden, Stone & Co.) 100,000 shares

American Financial Corp.________________Common
(Westheimer & Co.) 175,000 shares

Amity Corp. ______________________________Common
(Karen Securities Corp.) $226,217

Brown Fintube Co.________________________Common
(Paine, Webber, Jackson & Curtis) 122,000 shares

Chock Full O' Nuts Corp.______________Debentures
(F. Eberstadt & Co.) $7,500,000

Harwyn Publishing Corp._________________Common
(N. A. Hart & Co.) $412,500

Lytton Financial Corp.______________________Capital
(William R. Staats & Co. and Shearson, Hammill & Co. 300,000 shares

Ohio Edison Co.______________________________Bonds
(Bids 11:30 a.m. DST) $30,000,000

Panacolor, Inc. _____________________________Common
(Federman, Stonehill & Co.) $800,000

Real Estate Investment Trust of America__Ben.Int.
(Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co and Lee Higginson Corp.) 500,000 shares

Schaper Manufacturing Co., Inc.__________Common
(Paine, Webber, Jackson & Curtis) $806,000

Taddeo Bowling & Leasing Corp.____________Units
(Myron A. Lomasney & Co.) $1,600,000

May 23 (Tuesday)

American Broadcasting-Paramount Theatres, Inc. ______________________________Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc. and Cyrus J. Lawrence & Sons) 140,000 shares

Arizona Public Service Co.________________Common
(Offering to stockholders—underwritten by First Boston Corp. and Blyth & Co., Inc.) 488,986 shares

Curley Co., Inc.____________________________Common
(Carter, Berlind, Potoma & Weill) [illegible]0,000 shares

Michigan Consolidated Gas Co.______________Bonds
(Bids 11:30 a.m. DST) $[illegible]0,000,000

Ram Electronics, Inc.______________________Common
(General Securities Co. Inc.) $300,000

May 24 (Wednesday)

Consolidated Natural Gas Co._________Debentures
(Bids 11:30 a.m. DST) $40,000,000

May 25 (Thursday)

ACR Electronics Corp.____________________Common
(Robert Edelstein Co., Inc.) $375.000

Louisville & Nashville RR.______Equip. Trust Ctfs.
(Bids noon DST) $5,300,000

New Orleans Public Service, Inc.____________Bonds
(Bids 11:30 a.m. DST) $15,000,000

May 29 (Monday)

Chroma-Glo, Inc.__________________________Common
(Jamieson & Co.) $297,000

Consumers Automatic Vending, Inc.______Common
(Dean, Norman & Co. and V. S. Wickett & Co. Inc.) $550,000

Eastern Lime Corp.________________________Common
(Casper Rogers & Co.) $300,000

Empire Devices, Inc.______________________Common
(Hayden, Stone & Co.) Approximately $1,050,000

Futterman Corp.__________________________Class A
(Van Alstyne, Noel & Co.) 1,000,000 shares

MacDonald (E. F.) Co.___________________Common
(Smith, Barney & Co. Inc. and Merrill, Turben & Co. Inc.) 275,000 shares

Magnefax Corp. ___________________________Common
(Stroud & Co.) $1,000,000

Precisionware, Inc.________________________Common
(Hayden, Stone & Co.) 125,000 shares

Products Research Co.____________________Common
(Schwabacher & Co.) 283,200 shares

Publishers Co., Inc.________________________Common
(Amos Treat & Co., Inc. and Roth & Co., Inc.) $2,200,000

Scot Lad Foods, Inc.______________________Common
(Hayden, Stone & Co.) 250,000 shares

U. S. Realty Investment Trust____________Ben. Int.
(Hornblower & Weeks) $3,869,750

Welch Scientific Co._______________________Common
(Hornblower & Weeks) 545,000 shares

May 31 (Wednesday)

Indiana & Michigan Electric Co.________Debentures
(Bids 11:30 a.m. DST) $20,000,000

June 1 (Thursday)

Columbia Gas System, Inc.____________Debentures
(Bids to be received) $30,000,000

June 5 (Monday)

Fox-Stanley Photo Products, Inc.________Common
(Equitable Securities Corp.) 387,500 shares

Pennsylvania Electric Co.______________Debentures
(Bids noon DST) $12,000,000

Southland Life Insurance Co.______________Common
(Offering to stockholders—underwritten by Equitable Securities Corp.) 80,000 shares

June 6 (Tuesday)

American Telephone & Telegraph Co.______Bonds
(Bids to be received) $250,000,000

Public Service Electric & Gas Co.__________Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 900,000 shares

Sony Corp.________________________________Common
(Smith, Barney & Co. and The Nomura Securities Co. Ltd.) 2,000,000 shares

Virginia Chemicals & Smelting Co.________Common
(White, Weld & Co.) 1[illegible],000 shares

June 7 (Wednesday)

Community Public Service Co.______________Bonds
(Bids 11 a.m. DST) $5,000,000

Recreation Enterprises, Inc.__________________Units
(I. M. Simon & Co.) $550,000

June 8 (Thursday)

Brooklyn Union Gas Co._______________________Bonds
(Bids to be received) $20,000,000

June 12 (Monday)

Income Properties, Inc._____________________Class A
(Eisele & King, Lebaire, Stout & Co.) $1,462,500

Missouri Edison Co.__________________________Bonds
(Bids to be received) $2,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.________________Bonds
(Bids 11 a.m. DST) $30,000,000

June 14 (Wednesday)

Michigan Wisconsin Pipe Line Co.__________Bonds
(Bids 11 a.m. DST) $30,000,000

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. DST) $25,000,000

June 20 (Tuesday)

Consolidated Edison Co. of New York, Inc.__Bonds
(Bids 11 a.m. DST) $50,000,000

June 22 (Thursday)

Northern Illinois Gas Co.___________________Common
(Offering to stockholders—no underwriting) $20,000,000

June 27 (Tuesday)

Massachusetts Electric Co.____________________Bonds
(Bids to be received) $17,500,000

June 30 (Friday)

Taffet Electronics, Inc.______________________Common
(Fialkov & Co. Inc.) $396,000

August 8 (Tuesday)

Northern States Power Co.____________________Bonds
(Bids to be received) $20,000,000

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 5 (Tuesday)

Virginia Electric & Power Co.________________Bonds
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.________________________________Bonds
(Bids to be received) $5,000.000

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capital. **Office**—315 Third St., Trenton, N. J. **Underwriters**—Maltz, Greenwald & Co., New York City (managing); Clayton Securities Corp., Boston, Mass.; Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; and L. C. Wegard & Co., Levittown, N. J.

● Blue Haven Industries, Inc.
March 30, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To increase inventory, reduce indebtedness and for working capital. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

★ Bolt Beranek & Newman, Inc.
April 27, 1961 filed 160,000 shares of common stock, of which 90,140 shares are to be offered for public sale by the company and 69,860 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a group of scientists and engineers engaged in research, consultation and product development in the fields of architectural acoustics, applied physics, instrumentation, psychoacoustics, bio-medical technology, man-made machines and information systems. **Proceeds** — For the repayment of debt, and working capital. **Office**—50 Moulton Street, Cambridge, Mass. **Underwriter**—Hemphill, Noyes & Co., New York City (managing).

Bookshelf of America, Inc.
April 17, 1961 (letter of notification) 74,950 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The mail order sale of religious books. **Proceeds**—For moving expenses, new equipment and working capital and general corporate purposes. **Office**—889 Broadway, New York, N. Y. **Underwriter**—D. H. Blair & Co., New York, N. Y.

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**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y.

★ Brooklyn Union Gas Co. (6/8)
May 1, 1961 filed $20,000,000 of first mortgage bonds due 1986. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—176 Remsen Street, Brooklyn, N. Y. **Underwriters**—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, 1961.

Brown Fintube Co. (5/22-26)
March 27, 1961 filed 122,000 shares of class A common stock (par $1), of which 100,000 shares are to be offered for public sale by the company and 22,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The production of heat-transfer equipment for use primarily in the petrochemical, chemical and refining industries. **Proceeds** — For new equipment and working capital. **Office**—300 Huron Street, Elyria, Ohio. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City.

Burgmaster Corp. (5/15-19)
March 23, 1961 filed 190,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture of multiple spindle-turret drilling machines. **Proceeds**—To repay loans, purchase additional equipment and real estate, and for working capital. **Office**—15001 South Figueroa Street, Gardena, Calif. **Underwriter**—Shearson, Hammill & Co., New York City (managing).

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

● CTS Corp. (5/15-19)
March 16, 1961 filed 300,000 shares of common stock (no par) of which 75,000 shares are to be offered for public sale by the company and 225,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Manufactures electronic and electro-mechanical components, primarily variable resistors and associated switches. **Proceeds**—To repay debt and for working capital. **Office**—1142 West Beardsley Ave., Elkhart, Ind. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Cad-E-Mobile Corp. of America
March 20, 1961 (letter of notification) 60,000 shares of class A common stock (par five cents). **Price**—$2 per share. **Proceeds** — For salaries, advertising, inventory, and working capital. **Office**—1830 N. E. 163rd Street, North Miami Beach, Fla. **Underwriter**—Lloyd, Miller & Co., Washington, D. C.

● California Liquid Gas Corp.
March 21, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The sale and distribution of liquified petroleum gas and accessory equipment. **Proceeds**—To finance the acquisitions of Ransome Co. of Nevada and Liquiefuel, Inc., to retire debt and for working capital. **Office**—P. O. Box 5073, Sacramento, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Capital For Technical Industries, Inc.
April 10, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A small business investment company. **Proceeds**—To repay a loan and to provide long term capital to small business concerns. **Office**—1281 Westwood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in late May.

Capital Properties Inc.
April 21, 1961 filed $600,000 of 9½% debentures due 1977 and 12,000 shares of common stock to be offered for public sale in units of $1,000 of debentures and 20 common shares. **Price**—$1,000 per unit. **Business**—The company plans to purchase and lease back three buildings to be erected by Tower's Marts, Inc., for use as retail discount department stores. **Proceeds**—For acquisi-

tion of the above properties. Office—36 Pearl St., Hartford, Conn. Underwriter—Hodgdon & Co., Inc., Washington, D. C.

Car Plan System, Inc. (5/16)
April 10, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). Price — $3 per share. Business — The leasing of automobiles. Proceeds — For expansion. Office—540 N. W. 79th Street, Miami, Fla. Underwriter—R. F. Dowd & Co., Inc., New York City.

★ Certified Grocers of Illinois, Inc.
April 17, 1961 (letter of notification) 365 shares of common stock. Price—At par ($100 per share). Proceeds—For general corporate purposes. Office—4800 S. Central Avenue Forest View, Ill. Underwriter—None.

Chalco Engineering Corp.
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).

Chock Full O' Nuts Corp. (5/22-26)
April 7, 1961 filed $7,500,000 of subordinated debentures, due May 1, 1981. Price—To be supplied by amendment. Business—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. Proceeds—For expansion. Office—425 Lexington Avenue, New York 17, N. Y. Underwriter—F. Eberstadt & Co., New York City (managing).

• Chroma-Glo, Inc. (5/29)
March 2, 1961 (letter of notification) 90,000 shares of common stock (par 50 cents). Price — $3.30 per share. Business — The manufacture of pressure sensitive emblems. Proceeds—For payment of obligations; purchase of equipment; and for working capital. Office—525 Lake Ave., S., Duluth 2, Minn. Underwriter—Jamieson & Co., Minneapolis, Minn.

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.

★ City Products Corp.
April 27, 1961 filed $15,000,000 of convertible subordinated debentures due June 1, 1982. Business—The company and its subsidiaries distribute general merchandise, and operate refrigerator car icing and vacuum cooling plants, cold storage warehouses, dairies, breweries and coal and oil distribution facilities. Proceeds—To retire outstanding notes and for working capital. Underwriters—Lehman Brothers and White, Weld & Co., New York City (managing).

Clairtone Sound Corp. Ltd.
March 29, 1961 filed 200,000 shares of common stock. Price—To be supplied by amendment. Business—The design, manufacturing and distribution of stereophonic high fidelity radio-phonograph consoles and accessories Proceeds — For research and development, expansion, increased inventories and repayment of debt. Office—118 Rivalda Road, Weston, Ont., Canada. Underwriter—Reiner, Linburn & Co., New York City (managing). Offering—Expected in late May.

• Clark Equipment Credit Corp.
April 21, 1961 filed $20,000,000 of debentures, series A, due 1981. Price—To be supplied by amendment. Business—The financing in the U. S. and Canada of retail time sales of products manufactured by Clark Equipment Co., parent. Proceeds—For the repayment of debt. Office—324 East Dewey Ave., Buchanan, Mich. Underwriters—Lehman Brothers and Blyth & Co., Inc., New York City (managing). Offering — Expected in early June.

★ Clarkson Laboratories, Inc.
April 27, 1961 filed 200,000 shares of common stock. Price—$2 per share. Business—The company plans to engage in the development, manufacture, packaging and sale of industrial chemicals and latex, resins and plastic compounds for industrial and commercial use. Proceeds—For plant additions, repayment of debt, and working capital. Office—1450 Ferry Avenue, Camden, N. J. Underwriters—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

★ CMC Finance Group, Inc.
April 28, 1961 filed 150,000 shares of class A common stock. Price—To be supplied by amendment. Business—The company, through its 20 subsidiaries, is engaged in the consumer finance business in North Carolina, South Carolina and Georgia. Proceeds — For working capital. Office—1009 Wachovia Building, Charlotte. N. C. Underwriter—Auchincloss, Parker & Redpath, Washington, D. C.

• 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. Note—This letter was withdrawn Mar. 15.

Coastal Publications Corp.
March 30, 1961 filed 110,000 shares of common stock (par 60 cents). Price—To be supplied by amendment. Business—The preparation of technical literature on the use and maintenance of complicated electronic equipment produced for the Department of Defense. Proceeds—For general corporate purposes. Office—130 W. 42nd Street, New York City. Underwriter—Jesup & Lamont, New York City.

★ Colorplate Engraving Co.
April 25, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). Price — $4 per share. Business—Color photo-engraving. Proceeds—For repayment of loans; acquisition of equipment, and working capital. Office—311 W. 43rd Street, New York, N. Y. Underwriter—Mineo & Co., 99 Wall Street, New York, New York.

Columbia Gas System, Inc. (6/1)
April 21, 1961 filed $30,000,000 of debentures due June 1986. Office—120 E. 41st St., New York City. 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.

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.

★ Community Public Service Co. (6/7)
April 26, 1961 filed $5,000,000 of first mortgage bonds, series F, due June 1, 1991. Proceeds—For the repayment of loans and for construction. Office—408 West Seventh Street, Fort Worth, Texas. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). Bids—To be received on June 7 at 11 a.m. (DST) on the 19th floor of 90 Broad Street, New York City. Information Meeting—Scheduled for June 5 at 3 p.m. (DST) on the 23rd Floor of One Chase Manhattan Plaza, New York City.

• Community Research & Development, Inc.
Feb. 27, 1961 filed 620,445 shares of common stock being 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 of record May 1, with rights to expire May 22. Price—$5 per share. 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).

• Components Specialties, Inc.
April 20, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). Price—$3.50 per share. Business—The importation and sale of electronic subminiature components. Proceeds — For repayment of debt; advertising, inventory and working capital. Office—3 Foxhurst Road, Baldwin, L. I., N. Y. Underwriter—Fund Planning, Inc., New York, N. Y.

• Computer Equipment Corp.
April 5, 1961 (letter of notification) 46,780 shares of common stock (no par) to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. Price—$2.10 per share. Proceeds—For research and production, and general corporate purposes. Office — 11612 W. Olympic Blvd., Los Angeles, Calif. Underwriter — Holton, Henderson & Co., Los Angeles, Calif.

• Consolidated Activities, Inc. (5/15-19)
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. 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 Business Systems, Inc.
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). Price—$4 per share. Business—The design, development, manufacture and sale of standard and custom made printed and lithographed business forms. Proceeds — To repay loans, purchase additional equipment, and for working capital. Office — 400 Jersey Avenue, New Brunswick, N. J. Underwriter—Milton D. Blauner & Co., Inc., and M. L. Lee & Co., Inc., both of New York City. Offering—Expected in late May to early June.

Consolidated Cigar Corp.
April 10, 1961 filed 275,000 shares of common stock (par $1), to be offered for subscription by holders of outstanding common stock at the rate of one new share for each 8 shares held. Price—To be supplied by amendment. Business—The manufacture and sale of cigars. Proceeds—For expansion. Office—529 Fifth Avenue, New York City. Underwriter—Eastman Dillon, Union Securities & Co., New York City (managing). Offering—Expected in late May.

Consolidated Natural Gas Co. (5/24)
April 24, 1961 filed $40,000,000 of debentures due May 1, 1986. Business—A holding company for six operating concerns engaged in the natural gas business. Proceeds—For construction. Office—30 Rockefeller Plaza, New York 20, N. Y. 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). Bids—To be received on May 24 at 11:30 a.m. (DST) in Room 3000, 30 Rockefeller Plaza, New York City. Information Meeting — Scheduled for May 19 at 10:30 a.m. (DST) at the Bankers Club, 40th Floor, 120 Broadway, New York City.

• Consumers Automatic Vending, Inc. (5/29)
March 31, 1961 filed 100,000 shares of common stock (par 10 cents). Price—$5 per share. Business—The installation, maintenance and servicing of automatic vending machines, including complete in-plant automatic cafeterias, in the metropolitan New York area. Proceeds—For equipment, the reduction of debt and other corporate purposes. Office — 59-05 56th Street, Maspeth, N. Y. Underwriters—Diran, Norman & Co., and V. S. Wickett & Co., Inc., both of New York City.

Continental Trust Co.
March 15, 1961 (letter of notification) 297,000 shares of preferred stock and 297,000 shares of common stock to be offered in units of one share of preferred and one share of common. Price—$1.01 per unit. Proceeds—For operating expenses. Office — Scottsdale Savings Building, Scottsdale, Ariz. Underwriter—Preferred Securities, Inc., Phoenix, Ariz.

• Criterion Insurance Co. (5/15)
March 27, 1961 filed 515,000 shares of common stock (par $2), to be offered for subscription by common stockholders of Government Employees Life Insurance Co., and Government Employees Corp., on the basis of one new share for each 10 shares held of record March 30, and by stockholders of Government Employees Insurance Co., on the basis of one new share for each five shares held of record March 30, with rights to expire about June 5. Price—$6 per share. Business—The company was organized on March 22, 1961 by the management of the three Government Employees Group companies and plans to engage in all kinds of fire and casualty insurance business. Proceeds—For general corporate purposes. Office—Government Employees Insurance Building, Washington, D. C. Underwriter—None.

Crowell-Collier Publishing Co.
March 14, 1961 filed $12,000,000 of convertible subordinated debentures due 1981, being offered for subscription by common stockholders on the basis of $100 of debentures for each 25 common shares held of record April 24 with rights to expire May 9. Price—To be supplied by amendment. Business—A holding company, whose subsidiaries publish books and operate radio and TV stations. Proceeds—To repay loans. Office—640 Fifth Ave., New York City. Underwriter — Carl M. Loeb, Rhoades & Co., New York City (managing).

★ Crown Aluminum Industries Corp.
May 1, 1961 filed $2,000,000 of convertible subordinated debentures due 1976. Price—To be supplied by amendment. Business — The manufacture and distribution of enameled aluminum siding and aluminum accessories. Proceeds—For plant expansion, new equipment and the development of new products. Office—5820 Center Avenue, Pittsburgh, Pa. Underwriters — Adams & Peck; Allen & Co., and Andresen & Co., all of New York City.

Curley Co. Inc. (5/23)
March 30, 1961 filed 50,000 shares of common stock (par $1). Price—To be supplied by amendment. Business—The manufacture and packaging of household liquid detergents for distribution under private labels. Proceeds—For general corporate purposes. Office—Jefferson and Masters Sts., Camden, N. J. Underwriter—Carter, Berlind, Potoma & Weill, New York City (managing).

• Customline Control Panels, Inc.
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.

Data Processing, Inc.
April 12, 1961 (letter of notification) 75,000 shares of no par common stock. Price—$4 per share. Business—The research, design and development of advanced digital computer programs. Proceeds—To purchase or lease computer equipment. Office—1334 Main St., Waltham, Mass. Underwriter — First Weber Securities Corp., 79 Wall St., New York City.

★ Datatrol Corp.
April 26, 1961 filed 60,000 shares of common stock. Price— $4.25 per share. Business—The company acts as a consultant or advisor in matters pertaining to data processing problems and equipment. Proceeds—To develop data processing systems and for working capital. Office—8113-A Fenton Street, Silver Spring, Md. Underwriter — First Investment Planning Co., Washington, District of Columbia.

Davis Industries
March 16, 1961 (letter of notification) 100,000 shares of common stock. Price—$3 per share. Office—111 North La Cienega Blvd., Beverly Hills, Calif. Underwriter—Raymond Moore & Co., Los Angeles, Calif.

De-Flectronics, Inc.
April 13, 1961 (letter of notification) 112,000 shares of common stock (par 10 cents). Price—$1 per share. Business — The manufacture of electronic components and assemblies. Proceeds — For the purchase of inventory; manufacturing facilities and working capital. Office—50

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E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., New York, N. Y.

Dean Milk Co. (5/15-19)
March 31, 1961 filed 150,093 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 50,093 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The wholesale distribution of milk and milk products in the middle west. **Proceeds**—For the repayment of debt and for working capital. **Office**—3600 River Road, Franklin Park, Ill. **Underwriter** — A. G. Becker & Co., Chicago (managing).

Decitron Electronics Corp. (5/10)
March 16, 1961 filed 50,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price** — $2 per share. **Business** — The design, manufacture and sale of electronic equipment for the U. S. Government. **Proceeds** — For research and development and for working capital. **Office**—850 Shepherd Ave., Brooklyn, N. Y., **Underwriter**—M. L. Lee & Co., New York City.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price** —$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

● **Development Corp. of America**
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering** — Expected in June.

Di Giorgio Fruit Corp.
April 10,1961 filed 275,000 shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Business** —The production, harvesting and marketing of agricultural products, especially fruits. **Proceeds**—For the repayment of a loan. **Office** — 350 Sansome Street, San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Franicsco. **Offering**—Expected in late May.

● **Diotron, Inc.**
March 29, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For raw materials, production, testing and working capital. **Office** — 3650 Richmond St., Philadelphia, Pa. **Underwriter**—Royer Securities Co., Philadelphia, Pa.

Dixon Chemical Industries, Inc.
March 31, 1961 filed $1,500,000 of 6% convertible subordinated income debentures due 1981 to be offered for subscription by holders of the company's common stock. **Price** — To be supplied by amendment. **Business** — The manufacture of sulfuric acid. **Proceeds**—For the construction of a new plant and for working capital. **Office** —1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing). **Offering**—Expected in late May to early June.

Dixon Chemical & Research, Inc.
March 31, 1961 filed $2,900,000 of 6% convertible sinking fund debentures, due 1978. **Price**—To be supplied by amendment. **Business**—The production of sulfuric acid, liquid sulfur dioxide, aluminum sulfate, chromic acid and corrosion-resistant coatings. **Proceeds** — For construction of a new plant, repayment of debt, and working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing). **Offering**—Expected in late May to early June.

● **Dodge Wire Corp. (5/15-19)**
Dec. 7, 1960, filed 160,000 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.

● **Dollar Mutual Fund, Inc.**
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

Doughboy Industries, Inc.
April 12, 1961 filed 100,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of flour used for spaghetti, macaroni and noodles; the production of animal feeds, plastic toys and swimming pools, and the manufacture of machinery for heat sealing and labeling containers. **Proceeds** — For working capital and the repayment of loans. **Office**—New Richmond, Wis. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

Duke Power Co.
March 14, 1961 filed 368,000 shares of common stock being offered for subscription by common stockholders on the basis of one new share for each 30 shares held of record April 24, with rights to expire May 15. **Price**—$45 per share. **Proceeds** — To repay short-term loans. **Offices**—Charlotte 1, N. C.; Flemington, N. J., and 30 Rockefeller Plaza, New York City. **Underwriter**—None.

Dubow Chemical Corp.
April 10, 1961 (letter of notification) 80,000 shares of class A common stock (par one cent). **Price**—$2.25 per share. **Business**—The development and manufacture of chemical products. **Proceeds**—For general corporate purposes. **Office**—222 Newbridge Ave., East Meadow, L. I., N. Y. **Underwriters** — Planned Investing Corp., New York City and Fidelity Investors Service, East Meadow, L. I., N. Y.

Duplex Vending Corp.
March 20, 1961 filed 160,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—A distributor of the coin-operated commercial washers, and dryers, heaters and other equipment produced by International Duplex Corp. **Proceeds**—For expansion and working capital. **Office**—641 Bergen St., Brooklyn, N. Y. **Underwriter**—Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in May.

★ **Dynamic Vending Corp.**
April 26, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The purchase and sale of vending equipment and electrical appliances. **Proceeds**—For general corporate purposes and working capital. **Office** — 44 Beaver Street, New York 4, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., New York, N. Y.

Eastern Camera & Photo Corp.
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. **Note**—This company formerly was named Eastern Camera Exchange, Inc.

Eastern Lime Corp. (5/29-6/2)
March 31, 1961 filed $700,000 of subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa. (co-managers).

Economy Book Co. (5/8)
March 15, 1961 filed 150,000 shares of common stock (par 10 cents) of which 75,000 shares are to be offered for public sale by the company and 75,000 outstanding shares, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged principally in the binding of children's hard cover books. **Proceeds**—For new equipment, moving expenses and working capital. **Office**—511 Joyce Street, Orange, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

★ **Ed-U-Cards Mfg. Corp.**
April 21, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of card games and educational items. **Proceeds**—For repayment of loans; working capital; promotion, and new market developments. **Office** — 1305 44th Avenue, Long Island City, N. Y. **Underwriters**—Kenneth Kass and J. J. Krieger & Co., Inc., New York, N. Y.

Electrarc, Inc.
April 21, 1961 filed 100,000 shares of common stock. **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds** —For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co. Inc., Boston, Mass.

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-Mechanical Corp. (5/8-12)**
March 17, 1961 (letter of notification) 54,000 shares of common stock (par one cent). **Price**—$2.30 per share. **Business**—The company designs, develops and produces electronic test equipment and systems for the communications and data processing fields. **Proceeds**—For expansion and general corporate purposes. **Office**—Town Dock Road, New Rochelle, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Avenue, New York 17, N. Y.

Electronic Aids, Inc.
March 29, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Engaged in medical electronics and the production of electronic teaching devices. **Proceeds** — To purchase equipment and raw materials, and for working capital. **Office**—857 N. Eutaw St., Baltimore, Md. **Underwriter**—R. Topik & Co., Inc., 295 Madison Ave., New York, N. Y.

Electronic Assistance Corp. (5/8-12)
March 17, 1961 filed 110,000 shares of common stock (par 10 cents) of which 60,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The design, engineering, manufacture and sale of radar altimeters, communications devices and test equipment. **Proceeds**—For investment in a new subsidiary and for expansion of present facilities. **Office**—20 Bridge Avenue, Red Bank, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Electronic Associates, Inc.
March 30, 1961 filed 75,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The development, production and sale of analog computers and precision electronic laboratory equipment; and also computer engineering services at three centers in the United States and Europe. **Proceeds** — To repay loans and for working capital. **Office** — Long Branch, N. J. **Underwriter**—W. C. Langley & Co., New York City (managing). **Offering**—Expected in late May.

Elgeet Optical Co., Inc.
March 28, 1961 filed 180,000 shares of common stock. **Price** — $6.50 per share. **Business** — The production of lenses and optical systems for camera manufacturers. **Proceeds**—For repayment of bank loans, new machinery, research and development, with the balance for general corporate purposes. **Office**—838 Smith Street, Rochester, N. Y. **Underwriter**—Troster, Singer & Co., New York City (managing). **Offering**—Expected in late May.

Elion Instruments, Inc. (5/16)
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.

● **Emmer Glass Corp. (5/8-12)**
March 8, 1961 filed 190,000 shares of class A common stock, of which 160,000 shares are to be offered for public sale by the company and 30,000 outstanding shares, by the present holder thereof. **Price**—$4 per share. **Business**—The sale of glass, metal, fiber and plastic containers; and housewares and garden accessories. **Proceeds**—For the repayment of debt and general corporate purposes. **Office**—6250 N. W. 25th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston, Mass. (managing).

Empire Devices, Inc. (5/29)
April 3, 1961 filed 105,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—Between $10 and $12 per share. **Business** —The manufacture of electronic test equipment. **Proceeds**—For the selling stockholders. **Office**—Amsterdam, N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Equity Capital Co.
April 7, 1961 filed 100,000 shares of common stock (par $1.25). **Price**—To be supplied by amendment. **Business** — The making of short-term construction and second mortgage loans, and the buying of improvement loan obligations from the holders thereof. **Proceeds**—To retire debt and for working capital. **Office** — 430 First Avenue North, Minneapolis, Minn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Expected some time in June.

Far West Financial Corp.
March 30, 1961 filed 950,000 shares of capital stock, of which a maximum of 770,000 shares will be offered for public sale by the company, and a maximum of 180,000 outstanding shares will be offered by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company owns a majority of State Mutual Savings & Loan Association capital stock and operates an insurance agency. **Proceeds**—To repay loans, and to make loans to developers of real estate projects. **Office** —415 West Fifth St., Los Angeles, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing). **Offering**—Expected in late May.

Faradyne Electronics Corp.
Jan. 30, 1961 filed $2,000,000 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**—S. D. Fuller Co.

Federal Paper Board Co., Inc. (5/18)
April 18, 1961 filed $20,000,000 of sinking fund debentures, due May 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of folding boxboard, paperboard, corrugated containers and machine made glassware. **Proceeds**—For a new mill at Versailles, Conn., and modernization of existing facilities. **Office**—24 River Road, Bogota, N. J. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Fiat Metal Manufacturing Co., Inc.
March 29, 1961 filed 220,462 outstanding shares of common stock (par 10 cents), to be offered for public sale by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of prefabricated metal shower cabinets, glass shower enclosures and pre-cast shower floors. **Proceeds**—For the selling stockholder. **Office** — Michael Court, Plainview, L. I., N. Y. **Underwriter**—Dempsey-Tegeler & Co., St.

Louis and New York City. **Offering**—Expected in early-to-mid June.

★ Fidelity Bankers Life Insurance Corp.
April 27, 1961 filed 547,128 shares of common stock. **Price** — To be supplied by amendment. **Business** — The writing of ordinary, group and credit life insurance in 13 states and the District of Columbia. **Proceeds**—For additional capital. **Office**—Broad at Willow Lawn, Richmond, Va. **Underwriters** — Lee Higginson Corp., and Shearson, Hammill & Co., both of New York City (managing).

Filtors, Inc.
March 16, 1961 filed 271,000 shares of common stock, of which 122,000 shares are to be offered for public sale by the company and 149,000 outstanding shares, by the present holders thereof. **Price**—$7 per share. **Business**—The design, manufacture and sale of subminiature and microminiature hermetically sealed relays. **Proceeds**—For general corporate purposes. **Office**—30 Sagamore Hill Drive, Port Washington, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing). **Offering**—Expected in early-to-mid June.

● Fireco Sales Ltd.
March 31, 1961 filed 123,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The service merchandising of non-food consumer items in Canada, mainly in supermarkets. **Proceeds** — For the selling stockholder. **Office** — 33 Racine Rd., Rexdale (Toronto), Canada. **Underwriter**—McDonnell & Co., New York City (managing). **Offering**—Expected in late May.

First Small Business Corp. of New Jersey
April 18, 1961 filed 300,000 shares of capital stock (par $1), to be offered for public sale by the present holder thereof. **Price** — $12.50 per share. **Business** — A small business investment company organized in July, 1960, by the National State Bank of Newark, sole stockholder. **Proceeds**—For investment and working capital. **Office**—810 Broad St., Newark, N. J. **Underwriters**—Shearson, Hammill & Co., New York City and Heller & Meyer, East Orange, N. J. **Offering**—Expected in early June.

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.

Flato Realty Fund
April 21, 1961 filed 2,000,000 shares of participation in the Fund. **Price**—$10 per share. **Business**—A new real estate investment trust. **Proceeds** — For investment. **Office**—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. **Distributor**—Flato, Bean & Co., Corpus Christi, Texas.

Fox Head Brewing Co.
March 16, 1961 (letter of notification) 52,806 shares of common stock (par $1.25). **Price**—At-the-market at time of sale. **Proceeds**—For redemption of preferred stock, and working capital. **Office** — 227 Maple Avenue, Waukesha, Wis. **Underwriter** — Milwaukee Co., Milwaukee, Wis.

Fox-Stanley Photo Products, Inc. (6/5-9)
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

★ Frederick-Willys Co., Inc.
April 20, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—$1.15 per share. **Proceeds**—To repay debt, purchase additional equipment, for research and development, and working capital. **Office**—6519 Nicollet Avenue, Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

Friden, Inc.
March 30, 1961 filed 360,000 shares of common stock of which 150,000 shares are to be offered for public sale by the company and 210,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of various products such as calculators, adding machines, data processing equipment, Ticketograph machines and electronic heaters. **Proceeds** — For plant expansion, new equipment, prepayment of loans, and inventory. **Office**—2350 Washington Avenue, San Leandro, Calif. **Underwriters**—Dean Witter & Co., San Francisco and Merrill Lynch, Pierce, Fenner & Smith Inc., New York City. **Offering**—Expected in late May.

● 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). **Offering**—Imminent.

● Futterman Corp. (5/29)
March 31, 1961 filed 1,000,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Business** — The owning, managing, constructing, acquiring, leasing and sale of real estate properties. **Proceeds**—For the purchase of properties. **Office**—580 Fifth Avenue, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

G. B. Components, Inc.
April 10, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For repayment of loans and working capital. **Office**—14621 Arminta St., Van Nuys, Calif. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

● 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. **Offering**—Expected in late May.

Gem International, Inc.
April 6, 1961 filed 150,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The operation of closed-door membership department stores in Denver, Kansas City, St. Louis, Minneapolis, Wichita, Washington, D. C., and Honolulu. **Proceeds**—For the selling stockholders. **Office**—10900 Page Boulevard St. Louis, Mo. **Underwriters**—Bosworth, Sullivan & Co., Inc., Denver, Colo., and Scherck, Richter Co., St. Louis, Mo. (managing). **Offering** — Expected some time in June.

General Economics Corp. (5/16)
March 8, 1961 filed 130,000 shares of common stock. **Price**—$5 per share. **Business**—The company is active in the over-the-counter market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums. **Proceeds**—For additional working capital. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Continental Planning Co., 130 W. 42nd Street, New York City.

★ General Resistance, Inc.
April 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—The manufacture of precision wire sound resistors, restance networks and measuring instruments. **Proceeds**—For repayment of loans; working capital and general corporate purposes. **Office**—430 Southern Boulevard, Bronx, N. Y. **Underwriters**—Flomenhaft, Seidler & Co., Inc., New York, N. Y., and I. R. E. Investors Corp., Levittown, N. Y.

● 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. **Offering**—Imminent.

● 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.

Gilbert Data Systems, Inc.
April 14, 1961 filed 175,000 shares of common stock. **Price**—$2 per share. **Business**—The affixing of price tags, packing, warehousing of apparel and other services for department and chain stores. **Proceeds**—For plant additions, repayment of debt and working capital. **Office**—441 Ninth Ave., New York City. **Underwriter**—Schrijver & Co., New York City.

Girard Industries Corp.
March 22, 1961 filed 100,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Business**—The manufacture, and sale of certain types of furniture to retail dealers. **Proceeds**—For a new plant, equipment and working capital. **Office**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanly, Hempstead, N. Y. (managing). Brand, Grumet & Seigel, Inc.; Kesselmann & Co., Inc.; Casper Rogers & Co., Inc., New York City. **Offering**—Expected in late May.

● Golden Triangle Industries, Inc. (5/15-19)
March 29, 1961 filed 87,500 shares of common stock. **Price** — $4 per share. **Business** — The manufacture and sale of doll carriages, hobby horses and pony stock horses. **Proceeds** — For working capital. **Office** — 100 South 30th and Jane Streets, Pittsburgh, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

★ Gordon & Breach, Science Publishers, Inc.
April 21, 1961 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$1.75 per share. **Business**—Publishers of scientific textbooks. **Proceeds**—For working capital. **Office** — 150 Fifth Avenue, New York, N. Y. **Underwriter**—First Weber Securities Corp., New York, N. Y. **Offering**—Expected in late May.

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.

Grosset & Dunlap, Inc.
March 31, 1961 filed 436,086 shares of common stock (par $1), of which 210,320 shares are to be offered for public sale by the company and 225,766 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The publication and distribution of hard cover and paperback books for adults and children. **Proceeds**—For the purchase of additional stock in Bantam Books, Inc., Wonder Books, Inc., and Treasure Books, Inc., and for working capital. **Office**—1107 Broadway, New York City. **Underwriter** — Blyth & Co., Inc., New York City (managing). **Offering**—Expected in mid-May.

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.

Hager Inc.
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office**—2926 Fairfield Ave., Bridgeport, Conn. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering** — Expected in mid-June.

● Hallicrafters Co.
April 25, 1961 filed 300,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of short wave radio sets and military electronic equipment. **Proceeds** — To selling stockholders. **Office** — 4401 W. 5th Ave., Chicago, Ill. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Haloid Xerox Inc.
March 17, 1961 filed $15,093,600 of convertible subordinated debentures, due 1981, being offered for subscription by common stockholders on the basis of $100 of debentures for each 25 shares held of record April 20, with rights to expire May 8. **Price** — At par. **Business** — The manufacture and sale of products for xerographic and photocopy reproduction, and for photographic use. **Proceeds**—To redeem all outstanding 5¼% preferred stock, repay bank loans and for working capital. **Office** — 2 Haloid St., Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

Harcourt Brace & World, Inc. (5/16)
March 24, 1961 filed 101,398 outstanding shares of common stock (par $1) **Price**—To be supplied by amendment. **Business**—The publication and sale of textbooks, school materials, aptitude tests, and general books. **Proceeds**—For the selling stockholders. **Office**—750 Third Ave., New York City. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

★ Hardeman (Paul), Inc.
April 26, 1961 filed 350,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business**—The design, engineering, construction and installation of missile launching bases and related facilities for the armed forces. **Proceeds**—For working capital. **Office**—Stanton, Calif. **Underwriter**—Michael G. Ketz & Co., New York City (managing).

Harrisonville Telephone Co.
April 3, 1961 (letter of notification) 12,500 shares of common stock (par $20) to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—$22.50 per share. **Proceeds**—For the repayment of loans, and working capital. **Address** — Waterloo, Ill. **Underwriter**—McCourtney-Breckenridge & Co., St. Louis, Mo.

● Harvey-Wells Corp. (5/8-12)
March 28, 1961 (letter of notification) 20,000 shares of common stock (par one cent). **Price** — $15 per share. **Proceeds**—To repay a loan, purchase equipment, for improvements and working capital. **Office** — 43 Kendall Street, Framingham, Mass. **Underwriter** — Schirmer, Atherton & Co., Boston, Mass.

★ Harvey's Stores, Inc.
April 28, 1961 filed 150,000 outstanding shares of class A stock to be offered for public sale by the present holders thereof. **Price**—$7.50 per share. **Business**—The operation of a chain of women's wear and children's apparel stores in Ohio, Indiana, Illinois and Michigan. **Proceeds** — For the selling stockholders. **Office** — 500 Seventh Avenue, New York City. **Underwriter**—Maltz, Greenwald & Co., New York City (managing).

Harwyn Publishing Corp. (5/22-26)
March 30, 1961 filed 110,000 shares of class A common stock (par 10 cents). **Price**—$3.75 per share. **Business**—The publishing of illustrated encyclopedic works, principally for children. **Proceeds**—For general corporate purposes. **Office**—170 Varick Street, New York City. **Underwriter**—N. A. Hart & Co., Bayside, N. Y.

● Hickory Industries, Inc.
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

Holiday Sportswear, Inc.
April 21, 1961 filed 86,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized bowling apparel for men, women and children. **Proceeds**—For additional working capital. **Office**—311 West Eighth St., Kansas City, Mo.

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Underwriter—George K. Baum & Co., Kansas City, Mo. (managing).

● Howard Johnson Co. (5/15-19)
March 13, 1961 filed 660,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries operate and supply a large restaurant chain. **Proceeds**—For the selling stockholders. **Office**—89 Beale St., Wollaston, Mass. **Underwriters**—Blyth & Co., Inc., New York City and F. S. Moseley & Co., Boston, Mass. (Co-managers).

Howe Plastics & Chemical Companies, Inc.
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril Co., New York, N. Y.

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 Street, Salt Lake City, Utah. **Underwriter** — Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29, 1960 filed 600,000 shares of com. 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.

I T A Electronics Corp.
April 7, 1961 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—Manufactures electronic equipment and components. **Proceeds**—For general corporate purposes. **Office**—Lansdown, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Income Planning Corp. (5/15-19)
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.

Income Properties, Inc. (6/12-16)
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Price Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King,, Lebaire, Stout & Co., New York City (managing).

Indiana & Michigan Electric Co. (5/31)
April 20, 1961 filed $20,000,000 of sinking fund debentures due 1986. **Proceeds**—For the prepayment of bank loans, and working capital. **Offices**—2101 Spy Run Ave., Fort Wayne, Ind., and 2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; First Boston Corp.; Harriman Ripley & Co., Inc. **Bids**—To be received on May 31 at 11:30 a.m. (DST). **Information Meeting** — Scheduled for May 26 at 3 p.m. (DST) at American Electric Power Service Corp., 2 Broadway (11th floor) New York City.

● Industrial Control Products, Inc.
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City.

★ Industrial Realty Tracts, Inc.
April 24, 1961 (letter of notification) 119,500 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For general corporate purposes and working capital. **Office**—1998 S. W. 1st Street, Miami, Fla. **Underwriter**—None.

Intercontinental Motels, Ltd.
March 28, 1961 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For acquiring Fleetwood Motel Corp. and working capital. **Office**—Towne House Motor Lodge, P. O. Box 1061, Martinsville, Va. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

★ International Oil Development, Inc.
April 17, 1961 (letter of notification) 266,000 shares of class A common stock and 134,000 shares of class B common stock. **Price**—25 cents per share. **Proceeds**—For the purchase of oil bearing properties and drilling expenses. **Office**—203 N. Main Street, Orlando, Fla. **Underwriter**—None.

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.

Interstate Power Co. (5/18-6/2)
March 16, 1961 filed 223,833 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 16 shares held of record May 18, with rights to expire June 2. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Offices**—1000 Main Street, Dubuque, Iowa, and 111 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Salomon Bros. & Hutzler; Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co. **Bids**—To be received on May 18 at 11 a.m. (DST).

Interstate Power Co. (5/18)
March 16, 1961 filed $9,000,000 of first mortgage bonds, due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler. **Bids**—To be received on May 18 up to 11 a.m. (DST) at the office of The Chase Manhattan Bank, One Chase Plaza, New York 5, N. Y., 23rd floor. **Information Meeting**—Scheduled for May 8, at 3 p.m. (DST) at One Chase Manhattan Plaza (28th floor) New York City.

● Invest Fund, Inc.
Feb. 20, 1961 filed 150,000 shares of common stock. **Price**—Net asset value at the time of the offering. **Business** — A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds**—For investment. **Office** — One State Street, Boston, Mass. **Underwriter**—Invest, Inc., One State Street, Boston, Mass.

★ Investors Funding Corp. of New York
May 1, 1961 filed $2,000,000 of registered subordinated debentures due 1976 (with class A warrants to purchase 20,000 class A shares) and 40,000 shares of class A stock to be offered for public sale in units consisting of one $500 debenture and 10 class A shares. **Price**—$650 per unit. **Business**—The buying, selling and investing in real estate particularly apartment houses in the New York City area. **Proceeds**—For general corporate purposes. **Office**—630 Fifth Avenue, New York City. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York City.

Investors Preferred Life Insurance Co.
March 30, 1961 filed 400,000 shares of common stock. **Price**—$2.40 per share. **Business**—The company is authorized to sell life, accident and health insurance. **Proceeds**—To be added to capital and surplus. **Office**—310 Spring Street, Little Rock, Ark. **Underwriter**—Life Securities, Inc., P. O. Box 3662, Little Rock.

● Irvington Steel & Iron Works (5/15)
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.

Jackson National Life Insurance Co.
April 11, 1961 filed 300,000 shares of class A common stock. **Price** — $4 per share. **Business** — The company plans to engage in the life insurance business. **Proceeds**—For capital funds, and working capital. **Office**—245 West Michigan Avenue, Jackson, Mich. **Underwriter**—Apex Investment Co., Detroit.

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.

★ Jolyn Electronic Manufacturing Corp.
April 24, 1961 (letter of notification) 64,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., New York, N. Y.

Julie Research Laboratories, Inc.
March 29, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present stockholder. **Price**—$10 per share. **Business**—Basic research and development leading to the design, manufacture and sale of precise electronic components and instruments. **Proceeds**—For the selling stockholder. **Office**—603 West 130th Street, New York City. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

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. **Underwriter**—Fidelity Investors Service, East Meadow, N. Y.

★ Kamp Construction Co.
April 19, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$10 per share. **Proceeds**—To repay loans, purchase new equipment, and for working capital. **Office**—7450 E. 23rd Ave., Denver, Colo. **Underwriter**—None.

● Kawecki Chemical Co. (5/8-12)
March 23, 1961 filed $3,500,000 of 4⅞% convertible subordinated debentures, due 1976, and 17,282 shares of common stock (par 25 cents), issuable upon the exercise of warrants. The debentures are to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 15 shares held. **Price**—At par. **Business**—The research and pilot plant production of rare metals. **Proceeds**—To repay debt and for working capital. **Office**—Boyertown, Pa. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York City (managing).

● King Kullen Grocery Co., Inc. (5/15-19)
March 28, 1961 filed 180,000 shares of class A stock, of which 50,000 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 operation of a chain of self-service food stores in the Long Island, N. Y., area. **Proceeds**—For the construction and equipping of a new warehouse and office. **Office** — 178-02 Liberty Ave., Jamaica, N. Y. **Underwriters**—Hemphill, Noyes & Co., and Estabrook & Co., New York City (managing).

● 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).

Kreisler (Charles), Inc.
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.

Krystinel Corp.
April 12, 1961 filed 90,000 shares of class A stock. **Price**—$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

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 Realty Co.
April 28, 1961 filed 129.3 limited partnership interests. **Price**—$5,000 per interest. **Business**—The partnership owns a contract to purchase the fee title to the Lafayette Building in Detroit, Mich. **Proceeds**—To purchase the above property. **Office**—18 E. 41st Street, New York City. **Underwriter**—Tenney Securities Corp., 18 E. 41st Street, New York City.

Lannett Co., Inc.
April 7, 1961 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Business**—The manufacture and sale of pharmaceuticals. **Proceeds**—For a new building, research and development, and a sales training program. **Office**—Frankford Ave., and Allen St., Philadelphia, Pa. **Underwriter** — Netherlands Securities Co., Inc., New York City.

● Leeds Homes, Inc. (5/5)
March 9, 1961 filed $1,000,000 of 6% subordinated sinking fund debentures, due 1976 and 300,000 shares of common stock to be offered for public sale in units consisting of $10 principal amount of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—Company, formerly Aluminum Siding & Supply Corp., is a holding company whose subsidiaries are engaged in the sale, construction and financing of shell homes. **Proceeds**—For construction, working capital, and investment in mortgages on shell homes. **Office**—2501 Ailor Ave., Knoxville, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville.

★ Lemmon Livestock Yards, Inc.
April 17, 1961 (letter of notification) 2,500 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—To purchase real estate, construct an auction market and for working capital. **Office**—500 A Main Ave., Lemmon, S. D. **Underwriter**—None.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

Lindy Hydrothermal Products, Inc.
March 30, 1961 filed 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, manufacture, distribution and sale of heat exchange products and custom tanks for the storage of water, chemicals and other liquids. **Proceeds**—For new equipment, plant relocation, product development and repayment of debt. **Office**—2370 Hoffman Street, New York City. **Underwriter**—Bond, Richman & Co., New York City. **Offering**—Expected in late May.

★ Loves Park Lanes, Inc.
April 17, 1961 (letter of notification) $208,000 of seven years 5% subordinated promissory notes due Sept. 1, 1968 and 273 shares of common stock. **Price**—Of notes: at par; of stock, at par ($100 per share). **Proceeds**—For purchase of land, construction and new bowling alley equipment. **Office**—59 E. Van Buren St., Chicago, Ill. **Underwriter**—None.

• Lytton Financial Corp. (5/22-26)
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office**—8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

• (E. F.) Mac Donald Co. (5/29)
April 11, 1961 filed 275,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The creation and administration of incentive campaigns designed to achieve the sales objectives of its customers. **Proceeds**—For the selling stockholders. **Office**—120 So. Ludlow St., Dayton, Ohio. **Underwriters**—Smith, Barney & Co., Inc., New York City and Merrill, Turben & Co., Inc., Cleveland, Ohio (managing).

★ MacGregor Bowling Centers, Inc.
May 3, 1961 filed 120,000 shares of common stock, of which 100,000 will be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To repay loans and for working capital. **Office**—Houston, Tex. **Underwriters**—Rowles, Winston & Co., and Fridley & Frederking, Houston.

★ Mages Sporting Goods Co.
May 1, 1961 filed 1,029,961 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each two common shares held. **Price**—To be supplied by amendment. **Business**—The mail order and retail sale of sporting goods and recreational equipment. **Proceeds**—For the repayment of debt and other corporate purposes. **Office**—227 West Madison Street, Chicago, Ill. **Underwriter**—None.

• Magnefax Corp. (5/29)
April 10, 1961 filed 200,000 shares of no par common stock. **Price**—$5 per share. **Business**—The company plans to distribute desk-top copy machines and supplies. **Proceeds**—For new equipment, leasing office space, salaries, advertising, and other corporate purposes. **Office**—1228 Commercial Trust Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia (managing).

Mallory Randall Corp.
March 30, 1961 filed 120,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment **Business**—The design, manufacture and sale of a line of plastic insulated food and drink serving accessories, principally mugs, bowls and tumblers. **Proceeds**—For plant relocation, new equipment, and other corporate purposes. **Office**—84 Clifton Place, Brooklyn, N. Y. **Underwriter**—Pistell, Crow, Inc., New York City. **Offering**—Expected in late May.

• Marcon Electronics Corp. (5/9)
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 & 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**—Metropolitan Trading Corp., 1835 K St., N. W., Washington, D. C.

• Marrud, Inc.
April 12, 1961 filed 194,750 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 94,750 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The wholesale distribution of cosmetics, beauty aids, health aids and related products. **Office**—189 Dean St., Norwood, Mass. **Underwriter**—McDonnell & Co., New York City. **Offering** — Expected in early June.

Massachusetts Electric Co. (6/27)
April 24, 1961 filed $17,500,000 of first mortgage bonds, series F, due 1991. **Proceeds**—For the repayment of debt and for construction. **Office**—939 Southbridge Street, Worcester, 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. **Bids**—To be received on June 27, 1961.

• Matthews Corp. (5/15-19)
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.

★ Metropolis Bowling Centers, Inc.
May 1, 1961 filed 198,000 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 78,000 outstanding shares by the present holders thereof. **Price**—About $5 per share. **Business**—The acquisition and operation of bowling centers, principally in New York City. **Proceeds**—To improve existing properties and acquire other bowling centers. **Office**—647 Fulton Street, Brooklyn, N. Y. **Underwriters**—Russell & Saxe, Inc., (managing); Thomas, Lee & Quinn, Inc., and V. S. Wickers, New York City. **Offering**—Expected in mid-June.

• Metropolitan Securities, Inc. (5/15-19)
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.

★ M & F Graphic Arts & Industrial Photographic Supply Co.
May 1, 1961 filed 80,000 shares of class A common stock, of which 60,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For working capital and general corporate purposes. **Office**—Atlanta, Ga. **Underwriter**—Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

Miami Industries, Inc.
March 24, 1961 filed 175,000 outstanding shares of class A common stock (par $1), to be offered for public sale by the holders thereof. **Price**—$9.50 per share. **Business**—The production and sale of electric resistance welded steel tubing. **Proceeds**—For the selling stockholders. **Office**—Springcreek Township, Miami County, Ohio. **Underwriter**—H. Hentz & Co., New York City (managing). **Offering**—Expected in late May.

Michigan Consolidated Gas Co. (5/23)
April 14, 1961 filed $30,000,000 of first mortgage bonds, due 1986. **Proceeds**—For the repayment of debt and for construction. **Office**—415 Clifford Street, Detroit, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Lehman Brothers. **Bids**—To be received in Detroit on May 23 at 11:30 a.m. (DST).

Michigan Wisconsin Pipe Line Co. (6/14)
April 21, 1961 filed $30,000,000 of first mortgage pipe line bonds, due 1981. **Proceeds**—For construction. **Office**—500 Griswold St., Detroit, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc. **Bids**—To be received on June 14 at 11 a.m. (DST) in Suite 4950, 30 Rockefeller Plaza, New York City.

Micro Electronics Corp.
March 31, 1961 filed 100,000 shares of common stock. **Price** — $4 per share. **Business** — The manufacture of printed circuits for the electronics industry. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—1191 Stout St., Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C. (managing).

Microtron Industries, Inc.
March 1, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For purchase of equipment; inventory of parts; working capital; and research and development. **Office** — 120 S. Fairfax, Denver, Colo. **Underwriter** — Amos C. Sudler & Co., Denver, Colo.

Microwave Associates, Inc. (5/15)
March 27, 1961 filed 240,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be related to the current market price of the stock on the American Stock Exchange at the time of the offering. **Business**—The design and production of specialized components used in microwave radio energy. **Proceeds**—For the selling stockholders. **Office**—South Street, Burlington, Mass. **Underwriters**—Lehman Brothers; Kuhn, Loeb & Co., Inc., and Clark, Dodge & Co., Inc., all of New York City.

• Milliken (D. B.) Co. (5/10)
March 15, 1961 filed $240,000 of 6% subordinated sinking fund debentures, due 1971, with stock purchase warrants attached, together with 75,000 shares of capital stock. **Prices**—The debentures will be sold at par, with a 7½% underwriter's commission; the stock will be sold at $3 per share. **Proceeds**—For debt reduction and working capital. **Office**—131 North Fifth Ave., Arcadia, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif.

• Minneapolis Scientific Corp.
March 24, 1961 filed 1,500,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company is licensed under the Small Business Investment Act of 1958 and is registered with the SEC as a non-diversified, closed-end, management investment company, which will invest in the fields of electronics, physics and chemistry. **Proceeds**—For investment and operating expenses. **Office**—First National Bank Building, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn. **Note**—This company was formerly named National Scientific Corp.

Missile Sites, Inc.
March 30, 1961 filed 291,000 shares of common stock. **Price**—$5 per share. **Business**—A prime contractor with governmental agencies for the building of missile and radar sites and other specialized facilities. **Proceeds**—For working capital. **Office**—11308 Grandview Ave., Wheaton, Md. **Underwriter**—Balogh & Co., Inc., Washington, D. C.

★ Mississippi River Transmission Corp.
April 26, 1961 filed $5,600,000 of sinking fund debentures due 1981. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of loans and for construction. **Office**—9900 Clayton Road, St. Louis, Mo. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City and Dempsey-Tegeler & Co., St. Louis.

★ Missouri Edison Co. (6/12)
May 1, 1961 filed $2,000,000 of first mortgage bonds, series C. The company is a subsidiary of Union Electric Co. **Proceeds**—For the repayment of loans and for expansion. **Office**—123½ North Fourth Street, Louisiana, Mo. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—To be received on June 12.

★ Model Vending, Inc.
April 27, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The operation of vending machines for the retail sale of cigarettes, candy and a variety of other food and drink products. The company also operates coin-type phonograph machines and amusement devices. **Proceeds** — For new equipment, modernization of accounting procedures, and general corporate purposes. **Office**—4830 N. Front Street, Philadelphia, Pa. **Underwriter**—Milton D. Blauner & Co., Inc., New York City (managing).

Moderncraft Towel Dispenser Co., Inc.
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office**—20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

• Mohawk Insurance Co. (5/15)
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.

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

★ Morris Shell Homes, Inc.
May 1, 1961 filed $3,000,000 of 8% subordinated debentures due July 1, 1986; 150,000 shares of common stock; 150,000 first warrants and 150,000 second warrants, to be offered for public sale in units, each consisting of one $20 debenture, one common share, one first warrant and one second warrant. **Price** — To be supplied by amendment. **Business** — The construction and sale of shell homes. **Office** — 505 Morgan Street, Knoxville, Tenn. **Underwriter**—Johnson, Lane, Space Corp., Savannah (managing).

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. **Offering**—Expected in June.

• Morton Manufacturing Corp. (5/17)
March 28, 1961 filed 100,000 outstanding shares of common stock (par $1), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of medicated proprietary items, cosmetics, toiletries and fragrances. **Proceeds** — For the selling stockholders. **Office** — 2101 Hudson Street, Lynchburg, Va. **Underwriter** — Smith, Barney & Co., New York City (managing).

★ Municipal Investment Trust Fund, Series B
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in mid-June.

★ Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 uints) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in mid-June.

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Nash (J. M.) Co., Inc.
March 30, 1961 filed $1,000,000 of series A subordinated debentures, due July 1, 1981 and $1,000,000 of series B convertible subordinated debentures, due July 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of a variety of industrial products including woodworking and packaging equipment, power saws, auxiliary power plants, centrifugal pumps, inboard marine engines and a line of leisure time and sporting goods merchandise. **Proceeds**—To retire on or about Oct. 1, 1961 all outstanding 7½% convertible debentures; to repay bank loans, and for other corporate purposes. **Office**—208 Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee (managing).

Nat Nast, Inc.
April 18, 1961 filed 150,000 shares of class A common stock. **Price**—$4 per share. **Business**—The manufacture and distribution of bowling apparel. **Proceeds** — For working capital, construction, and funds estimated at $125,000 to stock such items as bowling clothes and accessories, gym clothing, etc. **Office**—816 Central, Kansas City, Mo. **Underwriter**—Hardy & Co., New York City (managing).

● 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 of record April 28, with rights to expire on May 15. **Price** — At 100%. **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).

● National Bagasse Products Corp. (5/3-12)
March 14, 1961 filed 16,200 units, each unit consisting of $100 of 15-year 7% subordinated debentures, 30 shares of class A common and 10 warrants (to buy a like number of class A shares). **Price** — $163.85 per unit. **Business** — Manufactures composition board, hard board and insulating board from bagasse, a waste product of sugar refining. **Proceeds** — To build a new plant at Vacherie, La. **Office**—821 Gravier St., New Orleans, La. **Underwriters**—S. D. Fuller & Co., New York City, and Howard, Weil, Labouisse, Fredrichs & Co., New Orleans (managing).

● National Food Marketers, Inc. (5/8-12)
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 Mercantile Corp.
March 29, 1961 filed 100,000 shares of common stock and five-year warrants to purchase an additional 20,000 common shares, to be offered for public sale in units consisting of one common share and one-fifth of a warrant. **Price**—To be supplied by amendment. **Business**—The distribution and retail sale of phonograph records. **Proceeds**—For the repayment of loans and for working capital. To expand retail operations. **Office**—1905 Kerrigan Avenue, Union City, N. J. **Underwriter**—A. T. Brod & Co., New York City (managing). **Offering**—Expected in late May.

★ National Radiac, Inc.
April 24, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—$4 per share. **Business**—The manufacture of organic and inorganic scintillators for detection of radiation. **Proceeds**—For working capital and general corporate purposes. **Address**—Newark, N. J. **Underwriter**—Hardy & Hardy, New York, N. Y.

New England Telephone & Telegraph Co.
March 30, 1961 this subsidiary of A. T. & T. filed 3,149,-615 shares of capital stock being offered for subscription by stockholders on the basis of one new share for each seven shares held of record April 25 with rights to expire on May 19. **Price**—$42 per share. **Proceeds**—To retire $40,000,000 of first mortgage 4½% bonds, series B, which mature May 1, 1961 and to repay advances from the parent company. **Office**—185 Franklin Street, Boston, Mass. **Underwriter**—None.

New Orleans Public Service, Inc.
April 13, 1961 filed $15,000,000 of first mortgage bonds, due 1991. **Proceeds** — For construction and the repayment of debt. **Office**—317 Baronne Street, New Orleans, La. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler.

● New York State Electric & Gas Corp. (5/16)
March 24, 1961 filed $25,000,000 of first mortgage bonds due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—108 East Green Street, 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 at 11 a.m. (EST).

North American Vending Manufacturing Corp.
April 19, 1961 (letter of notification) 55,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The production of ice cube manufacturing and vending machines. **Proceeds**—For equipment; development of distributors, advertising and research and development. **Office**—110 Jericho Turnpike, Floral Park, N. Y. **Underwriter**—Ezra Kureen Co., New York, N. Y.

North Electric Co. (5/15)
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15. **Price**—To be supplied by amendment. **Business**—This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market Street, Galion, Ohio. **Underwriter**—None.

● Northern Instrument Corp. (5/8-12)
March 10, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—Manufacturers of electronic devices. **Proceeds**—For general corporate purposes. **Office**—3 Carll Ave., S., Babylon, N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y.

Northwestern Public Service Co.
April 3, 1961 filed 54,571 shares of common stock to be offered for subscription by holders of common stock on the basis of one new share for each 12 shares held. **Price**—To be supplied by amendment. **Office**—Huron, S. D. **Underwriter**—To be named.

Ohio Edison Co. (5/22)
April 14, 1961 filed $30,000,000 of first mortgage bonds, due 1991. **Proceeds**—For construction and the repayment of debt. **Office** — 47 North Main Street, Akron, Ohio. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly); First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at 16 Wall St., New York City on May 22 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 17 at 3:30 p.m. (DST) at the New York Society of Security Analysts, 15 William St., New York City.

Ohio-Franklin Fund, Inc.
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 Street, Columbus, Ohio. **Distributor**—The Ohio Co., Columbus, Ohio.

★ Old Empire, Inc.
May 1, 1961 filed $700,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, Wilmington, Del.

● One Maiden Lane Fund, Inc. (5/15-19)
April 7, 1961 filed 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund which will hold only convertible debentures and U. S. Treasury bonds. **Proceeds**—For investment. **Office**—One Maiden Lane, New York City. **Underwriter**—G. F. Nicholls & Co., Inc., New York City.

● Opelika Manufacturing Corp. (5/8-12)
March 30, 1961 filed 200,000 outstanding shares of common stock (par $5), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of a variety of textile products to the linen rental industry and to hospitals and other institutions. **Proceeds**—For the selling stockholders. **Office**—361 West Chestnut Street, Chicago, Ill. **Underwriter** — Glore, Forgan & Co., New York City (managing).

Panacolor, Inc. (5/22)
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).

Paxton (Frank) Lumber Co.
March 28, 1961 filed 83,389 outstanding shares of class A common (par $2.50) to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The operation of a chain of lumber yards in the middle west. **Proceeds**—For the selling stockholders. **Office** — 6311 St. John Avenue, Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City (managing).

Pennsylvania Electric Co. (5/17)
March 28, 1961 filed $10,000,000 of first mortgage bonds, due 1991. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. **Bids**—To be received on the 37th Floor of 80 Pine Street, New York City on May 17 at 11 a.m. (DST). **Information Meeting**—To be held at the above address on May 12 at 10 a.m. (DST).

Pennsylvania Electric Co. (6/5)
March 28, 1961 filed $12,000,000 of debentures, due 1986. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. The company has never before issued debentures. However, the following underwriters bid on the last issue of bonds: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—To be received at 80 Pine Street, 37th floor, on June 5 at noon (DST). **Information Meeting**—To be held at the above address on June 2 at 10 a.m. (DST).

Peoples Gas Light & Coke Co. (5/9)
March 30, 1961 filed $30,000,000 of first and refunding mortgage bonds, series J, due 1986. **Proceeds**—To pay at maturity $15,100,000 of first and refunding mortgage 3% bonds, series G, due June 15, 1961 and for general corporate purposes. **Office**—122 S. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp. **Bids**—To be received on May 9 at 10 a.m. (CDST) in room 1615, 122 So. Michigan Ave., Chicago, Ill.

Perini Corp.
March 30, 1961 filed 1,451,998 shares of common stock (par $1), of which 1,350,000 are to be offered for public sale by the company, and 101,998 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is engaged in the construction and general contracting business in the U. S. and Canada and recently entered the real estate development field. In addition it will control and operate the National League Baseball Club of Milwaukee, Inc. **Proceeds**—To repay loans and for general corporate purposes. **Office** — 73 Mt. Wayte Ave., Framingham, Mass. **Underwriters**—F. S. Moseley & Co., Boston, Mass., and Paine, Webber, Jackson & Curtis, New York City.

★ Permian Corp.
April 28, 1961 filed 285,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The marketing of crude oil. **Proceeds**—For general corporate purposes. **Office** — 611 West Texas Street, Midland, Texas. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., both of New York City (managing).

Photogrammetry, Inc.
March 20, 1961 (letter of notification) 23,000 shares of common stock (par $1). **Price**—$8 per share. **Proceeds**—For construction, equipment and working capital. **Office**—922 Burlington Avenue, Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

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.

★ Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay for construction, working capital and, general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif.

★ Pilgrim Helicopter Services, Inc.
April 25, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — Investment Bldg., Washington, D. C. **Underwriter** — Sade & Co., Washington, D. C.

★ Pillsbury Co.
April 27, 1961 filed $10,000,000 of sinking fund debentures due June 1, 1986. **Business**—The manufacture and sale of prepared food mixes, refrigerated dough products and flour. **Proceeds**—For the repayment of debt, and working capital. **Office**—600 Pillsbury Building, Minneapolis, Minn. **Underwriters**—Goldman, Sachs & Co., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing). **Offering**—Expected in early June.

● Potter Instrument Co., Inc.
March 24, 1961 filed 210,000 shares of common stock, of which 190,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holder thereof. **Price**—$10 per share. **Business**—The manufacture and sale of electronic data processing equipment. **Proceeds**—For the repayment of loans and to finance accounts receivable and inventories. **Office**—Plainview, L. I., N. Y. **Underwriter**—Bear Stearns & Co., New York City (managing). **Offering**—Expected in early June.

Power Designs Inc.
March 31, 1961 filed 500,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The design, manufacture and sale of power supply equipment for the conversion of commercial AC power. **Proceeds**—To repay loans, for expansion and working capital. **Office**—1700 Shames Drive, Westbury, N. Y. **Underwriter** — Pistell, Crow, Inc., New York City. **Offering**—Expected in late May.

Precisionware, Inc. (5/29)
March 30, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 shares are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—A contract manufacturer of kitchen cabinets and other types of wood cabinets which the company sells to builders, contractors and distributors. **Proceeds**—For new equipment, plant expansion and working capital. **Office** — 78 Livingston St., Brooklyn, N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Products Research Co. (5/29-6/2)
March 27, 1961 filed 283,200 shares of common stock (par $2), of which 120,000 shares are to be offered for public sale by the company and 163,200 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The development, manufacture and sale of synthetic rubber caulking compounds, protective coatings, encapsulation materials and glass skylights. **Proceeds**—For the selling stockholders. **Office**—2919 Empire Ave., Burbank, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. (managing).

● **Publishers Company, Inc. (5/29-6/2)**
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.

RMS Electronics, Inc.
April 12, 1961 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of television and FM radio antennae. **Proceeds**—For general corporate purposes. **Address**—2016 Bronxdale Ave., Bronx, N. Y. **Underwriter**—Martinelli & Co., New York, N. Y.

● **Ram Electronics, Inc. (5/23)**
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**—General Securities Co., Inc., 101 West 57th St., New York City.

Real Estate Investment Trust of America (5/22-26)
March 31, 1961 filed 500,000 shares of beneficial interest in the Trust. **Price**—To be supplied by amendment. **Business**—The Trust which was organized in 1955 to acquire the assets of three Massachusetts business trusts now holds real estate properties in 12 states and the District of Columbia. **Proceeds** — For investment. **Office** — 294 Washington St., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co., and Lee Higginson Corp., all of New York City.

★ **Recco, Inc.**
April 17, 1961 (letter of notification)) 60,000 shares of class A common stock (par one cent). **Price**—$5 per share. **Proceeds**—To open a new licensed department in 1961. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriter**—Midland Securities Co., Kansas City, Mo.

● **Recreation Enterprises, Inc. (6/7)**
March 16, 1961 filed 110,000 units of common stock and warrants, each unit to consist of one share of class A common and two common stock purchase warrants for the purchase of class A common (one exercisable at $5.50 per share for 18 months and the other at $6 per share within 36 months). **Price**—$5 per unit. **Business**—The company plans to operate a chain of bowling alleys in the midwestern states, initially in Missouri and Kansas. **Proceeds**—For the building of bowling centers. **Office**—6000 Independence Ave., Kansas City, Mo. **Underwriter**—I. M. Simon & Co., St. Louis, Mo.

Red Star Yeast & Products Co.
March 16, 1961 filed $1,000,000 of convertible subordinated debentures, due 1976. **Price** — To be supplied by amendment. **Business**—The production of yeast and yeast products for the pharmaceutical, food, and animal feed industries. **Proceeds** — For diversification and possible acquisitions. **Office**—221 East Buffalo St., Milwaukee, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee.

Renaire Foods, Inc.
March 30, 1961 filed $600,000 of debentures, 6½% convertible series due 1976, to be offered for public sale by the company and 125,000 shares of common stock, (par $1) of which 100,000 shares are to be offered for sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—At 100% of principal amount, for the debentures and $6 per share for the stock. **Business**—The retail distribution of food freezers, frozen foods, groceries, vitamins, proprietary medicines and sundries, principally in the Philadelphia and Baltimore trading areas. **Proceeds**—For construction, the purchase of installment contracts resulting from the sales of food and freezers, and for working capital. **Office**—770 Baltimore Pike, Springfield, Pa. **Underwriter**—P. W. Brooks & Co., Inc., New York City. **Offering**—Expected in late May or early June.

● **Rocket Jet Engineering Corp. (5/15)**
March 20, 1961 filed 110,000 outstanding shares of common stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of escape and survival equipment used in military aircraft. **Proceeds**—For the selling stockholders. **Office**—1426 South Flower Street, Glendale, Calif. **Underwriters**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and Maltz, Greenwald & Co., New York City. The latter firm will handle the books in the East.

★ **Rockower Brothers, Inc.**
May 1, 1961 filed 140,000 outstanding shares of common stock (par 30 cents) to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The retail sale of men's and boys' clothing. **Proceeds**—For the selling stockholders. **Office**—160 West Lehigh Avenue, Philadelphia. **Underwriter**—Drexel & Co., Philadelphia.

★ **Rowley Hills Ski Slopes, Inc.**
April 14, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expenses for operating a ski resort. **Office** — 7 Willow St., Lynn, Mass. **Underwriter**—None.

Ruth Outdoor Advertising Co., Inc.
March 10, 1961 (letter of notification) 80,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Business**—Outdoor advertising. **Proceeds**—For general corporate purposes. **Address** — R. D. No. 2, Albany, N. Y. **Underwriter**—Lewis & Stoehr, New York, N. Y.

Safeguard Corp.
March 21, 1961 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For capital funds, expansion, and working capital. **Office**—1114 N. Broad Street, Lansdale, Pa. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y.

● **St. Louis Capital, Inc.**
April 11, 1961 filed 750,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A new small business investment company. **Proceeds** — For investment. **Office**—611 Olive St., St. Louis, Mo. **Underwriters**—Hornblower & Weeks, New York City and I. M. Simon & Co., St. Louis (co-managers). **Offering**—Expected in early June.

San Francisco & Oakland Helicopter Airlines, Inc.
April 5, 1961 85,000 shares of class A stock (par $10) and 85,000 shares of common stock (par 10 cents) to be offered in units, each unit to consist of one share of class A and one common share. **Price** — To be supplied by amendment. **Business**—The company plans to furnish scheduled air transportation service in the San Francisco Bay area. **Proceeds**—For spare parts, lease of aircraft, starting-up expenses, and working capital. **Office**—155 Montgomery Street, San Francisco, Calif. **Underwriters**—Birr & Co., Inc., and Wilson, Johnson & Higgins, both of San Francisco.

Schaper Manufacturing Co., Inc. (5/22-26)
March 29, 1961 filed 80,600 shares of common stock (par $4), of which 15,000 shares are to be offered for public sale by the company and 65,600 outstanding shares by the present holder thereof. **Price**—$10 per share. **Business**—The design, assembly, manufacture and sale of a variety of plastic toys and games. **Proceeds**—For working capital. **Office**—650 Ottawa Ave., North, Minneapolis, Minn. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Schneider (Walter J.) Corp.
March 30, 1961 filed 120,000 shares of class A common (par 10 cents). **Price**—$5 per share. **Business**—Organized on March 24, 1961, the company plans to engage in the real estate business and allied activities. **Proceeds**—For general corporate purposes. **Office**—67 West 44th Street, New York City. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City. **Offering**—Expected in late May.

Scope, Inc.
March 28, 1961 filed 75,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The research and development of projects for agencies of the U. S. Government. **Proceeds**—For the repayment of debt, production and marketing of new products, and for working capital. **Office**—121 Fairfax Drive, Falls Church, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Scot Lad Foods, Inc. (5/29)
March 28, 1961 filed 250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The packaging of food products for supermarkets. **Proceeds**—The net proceeds, estimated at $2,185,000, will be applied to outstanding indebtedness, with the balance to be added to working capital. **Office**—Chicago, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing).

★ **Seaboard Electronic Corp.**
April 26, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—$5.50 per share. **Business**—The manufacture of warning signals, control boxes, intervalometers and related equipment for aircraft and missile application. **Proceeds**—For the selling stockholders. **Office**—417 Canal Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

● **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.

★ **Servonic Instruments, Inc.**
April 26, 1961 filed 95,000 shares of no par common stock, of which 50,000 shares are to be offered for public sale by the company and 45,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, design, development, manufacture and sale of precision devices consisting primarily of electromechanical transducers, for a variety of military, industrial and scientific uses. **Proceeds**—For new equipment, plant expansion and working capital. **Office**—1644 Whittier, Calif. **Underwriter** — C. E. Unterberg, Towbin Co., New York City.

● **Shasta Minerals & Chemical Co.**
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—None.

★ **Shepard Airtronics, Inc.**
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriter**—L. C. Wegard & Co., Levittown, N. J.

Sherman Co.
March 29, 1961 filed 1,096 of limited partnership shares. **Price** — $5,000 per unit. **Business** — The company was formed on March 15, 1961 to acquire the Hotel Sherman in Chicago. **Proceeds**—To purchase the above property. **Office**—10 E. 40th Street, New York City. **Underwriter**—None.

● **Sica Skiffs, Inc.**
April 19, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of "sea skiffs" a type of inboard motor boat. **Proceeds**—For the repayment of debt, the development of retail outlets, property improvement, and working capital. **Office**—Toms River, N. J. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia (managing). **Offering**—Expected in mid-June.

Sierra Pacific Power Co.
April 10, 1961 filed 132,570 shares of common stock (par $3.75) being offered for subscription by common stockholders on the basis of one new share for each 12 shares held of record May 2, with rights to expire May 22. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office**—220 South Virginia Street, Reno, Nev. **Underwriter**—None.

Sierra Pacific Power Co. (5/11)
April 10, 1961 filed $6,500,000 of first mortgage bonds, due 1991. **Proceeds** — For construction. **Office** — 220 South Virginia Street, 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**—To be received on May 11, at 11 a.m. (DST) at 49 Federal Street (8th floor), Boston, Mass. **Information Meeting**—Scheduled for May 9 at 3 p.m. (DST) at One Chase Manhattan Plaza (23rd Floor), New York City.

Silver Pacific Co.
March 15, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For development of property; repayment of loans and real estate investments. **Office**—1325 Sunset Highway, Issaquah, Wash. **Underwriter** — Rowley Agency, Inc., Issaquah, Wash.

Simulatics Corp.
March 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The investigation of probable human behavior by use of computer technology. **Proceeds** — To repay a short-term bank loan; and for working capital and general corporate purposes. **Office**—501 Madison Avenue, New York 22, N. Y. **Underwriter**—Russell & Saxe, New York, N. Y.

★ **Solar Systems, Inc.**
April 20, 1961 (letter of notification) 125,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To repay short term notes, for additional inventory, advertising, and working capital. **Office**—11936 Valerio Street, North Hollywood, Calif. **Underwriters**—Darius, Inc., New York, N. Y. and N. A. Hart & Co., Bayside, N. Y.

★ **Sony Corp. (6/6)**
April 28, 1961 filed 2,000,000 shares of common stock (par 50 yen). The underwriters will deliver to purchasers, ADR's evidencing American Depositary Shares (each representing 10 shares of Sony common). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of transistorized radio and television receivers, magnetic tape recorders and other electronic equipment. **Proceeds** — For expansion. **Office** — Tokyo, Japan. **Underwriters**—Smith, Barney & Co., and The Nomura Securities Co., Ltd., both of New York City.

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.

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Southland Life Insurance Co. (6/5-9)
March 28, 1961 filed 80,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To purchase the 55% of the outstanding common stock of Carolina Life Insurance Co. not heretofore owned by the issuer. **Office**—Dallas, Texas. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. (managing).

• Southwestern Capital Corp.
April 4, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—A small business investment company and a closed-end, non-diversified management investment company. **Proceeds**—For investment. **Office**—1328 Garnet Avenue, San Diego, Calif. **Underwriter**—None. **Note**—This registration was withdrawn April 28.

Southwestern Oil Producers, Inc.
April 13, 1961 filed 250,000 shares of common stock. **Price**—$2 per share. **Business**—The company has obtained the right to drill for oil and gas on 720 acres near Artesia, N. M. **Proceeds**—To drill a test well on the property. **Office**—2720 West Mockingbird Lane, Dallas, Texas. **Underwriter**—Elmer K. Aagaard, Salt Lake City, Utah.

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.

• Stein, Hall & Co., Inc. (5/15-19)
March 30, 1961 filed 250,000 outstanding shares of common stock (par $1), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The company manufactures a wide variety of chemical specialty products, including specialized adhesives, synthetic resins, natural gum derivatives, food stabilizers and similar items. **Proceeds**—For the selling stockholders. **Office**—285 Madison Avenue, New York City. **Underwriter**—F. Eberstadt & Co., New York City (managing).

• Stocker & Yale, Inc. (5/16)
March 30, 1961 (letter of notification) 100,000 shares of no-par common stock. **Price**—$3 per share. **Business**—Manufacturers of precision dimensional measuring devices and developers of optical and audio-visual equipment. **Proceeds**—New product development, expansion of marketing program, and working capital. **Office**—40 Green St., Marblehead, Mass. **Underwriter** — First Weber Securities Corp., 79 Wall Street, New York City.

Stratton Corp. (5/8-12)
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).

Sunnyside Telephone Co.
April 13, 1961 (letter of notification) 87,664 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For a new building and equipment. **Address**—Clackamas, Oreg. **Underwriter**—June S. Jones Co., Portland, Oreg.

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—First Realty Syndicators, 11 E. 44th Street, New York, N. Y.

Super Food Services, Inc.
April 14, 1961 filed 60,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 30,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries distribute food products to about 643 independently owned IGA retail grocery stores in Ohio, Florida, New York, New Jersey and Michigan. **Proceeds**—For working capital. **Office**—105 South LaSalle St., Chicago, Ill. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Offering**—Expected in late May.

★ Suval Industries Inc.
April 27, 1961 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—$4 per share. **Business**—The manufacture of supported vinyl plastic sheeting for the automobile, furniture and clothing industries. **Proceeds**—For additional equipment, product expansion and working capital. **Office**—Cantiagua Road, Westbury, N. Y. **Underwriters** — Milton D. Blauner & Co., and Brukenfeld & Co., both of New York City.

• Taddeo Bowling & Leasing Corp. (5/22-26)
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

★ Taffet Electronics, Inc. (6/30)
April 28, 1961 filed 132,000 shares of common stock. **Price** — $3 per share. **Business** — The manufacture of electronic equipment, principally electronic test equipment, partial electronic systems and assemblies, and the fabrication of electronic components, for use primarily in the communications field. **Proceeds**—For additional equipment, capital improvements and working capital. **Office**—27-01 Brooklyn Queens Expressway, Woodside, N. Y. **Underwriters**—Flakkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City.

• Tassette, Inc. (5/8-12)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—$12 per share. **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); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

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.

Telephone Employees Insurance Co.
March 22, 1961 filed 43,117 shares of capital stock to be offered for subscription by stockholders on the basis of two new shares for each three shares held. **Price**—$27.50 per share. **Business**—The company writes automobile casualty insurance, principally to employees of telephone companies who are considered preferred risks. **Office**—Pedwood and Light Sts., Baltimore, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Templeton, Damroth Corp.
March 30, 1961 filed $1,500,000 of 5½% convertible debentures, due 1969, with 120,000 shares of class A common stock (non-voting) and 12,000 shares of class B common (voting) stock, into which the debentures are convertible. Of the $1,500,000 of debentures, $1,260,000 are presently outstanding. **Price**—100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia is underwriting $445,000 of the debentures.

Tennessee Gas Transmission Co. (5/16)
April 14, 1961 filed $75,000,000 of debentures due May 1, 1981. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of debt, expansion and advances to subsidiaries. **Office**—Tennessee Building, Houston, Texas. **Underwriters**—Stone &Webster Securities Corp.; White, Weld & Co., and Halsey, Stuart & Co. Inc., (managing).

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.

Therm-Air Mfg. Co., Inc.
April 11, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of self-contained packaged temperature and humidity control equipment. **Proceeds**—For general corporate purposes. **Address** — Peekskill, N. Y. **Underwriter**—Harry Odzer Co., New York, N. Y.

• Thor Power Tool Co.
April 19, 1961 filed $4,000,000 of subordinated convertible debentures due June 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of portable tools and other industrial products. **Proceeds**—To retire short-term bank loans. **Office** — 175 North State St., Aurora, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing). **Offering**—Expected in mid-June.

• Thrift Courts of America, Inc. (5/8-15)
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).

Toledo Plaza Limited Partnership
April 7, 1961 filed $522,500 of interests in the partnership to be offered for public sale in 209 units. **Price**—$2,500 per unit. **Business**—The partnership was organized under Maryland law in April 1961 to acquire, develop and operate the Toledo Plaza apartment project in Prince George County, Md., scheduled for occupancy in May, 1961. **Proceeds**—For the purchase of the above property. **Office**—1411 K St., N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Trans World Airlines, Inc.
March 30, 1961 filed $111,235,900 of 6½% subordinated income debentures, due 1978, with warrants, to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 6 common shares held. **Price**—To be supplied by amendment. **Proceeds** — For repayment of debt and general corporate purposes. **Office** — 380 Madison Ave., New York City. **Underwriter**—None. Hughes Tool Co., which owns voting trust certificates representing 78.23% of the company's outstanding stock, has agreed to purchase enough of the unsubscribed for debentures, if any, to provide the company with at least $100,000,000. **Offering**—Expected in late May.

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

• Transistor Applications, Inc. (5/16)
March 29, 1961 (letter of notification) 100,000 shares of no-par common stock. **Price**—$3 per share. **Business**—Manufacturers of transistorized test equipment and electronic medical equipment, and the development of advanced semi-conductor circuits and systems. **Proceeds**—For new product development, expansion of sales effort, and working capital. **Office**—103 Broad Street, Boston, Mass. **Underwriter**—First Weber Securities Corp., 79 Wall Street, New York City.

• Transition Systems, Inc.
April 25, 1961 filed 72,200 shares of common stock. **Price**—$4.50 per share. **Business** — The company plans to engage in research to develop correlation devices for improving the performance of information retrieval systems. **Proceeds** — For working capital, research and development, leasehold improvements, the purchase of engineering and drafting materials, and the rental of computers. **Office** — 160 Broadway, New York City. **Underwriter**—Richard Bruce & Co., Inc., New York City.

★ Trebor Oil Co. Ltd.
May 1, 1961 filed $150,000 of limited partnership interests to be offered for public sale in 150 units. **Price**—$1,000 per unit. **Proceeds**—For the acquisition of oil leases and the development of, thereof. **Office**—213 First National Bank Building, Abilene, Texas. **Underwriter**—None.

Triangle Instrument Co.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Sysoset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City.

Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

★ Union Tank Car Co.
April 28, 1961 filed $40,000,000 of sinking fund debentures due Aug. 1, 1986. **Business**—The furnishing of railway tanks cars to shippers of petroleum products and other liquids. **Proceeds**—For the retirement of a bank loan. **Office**—228 N. La Salle Street, Chicago, Ill. **Underwriters**—Smith, Barney & Co. Inc., and Blunt Ellis & Simmons, Chicago (managing). **Offering**—Expected in early June.

★ U. S. Fiberglass Products Co.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to manufacture fiberglass shingles, beams, purlin and other materials. **Proceeds** — For working capital, inventory and equipment, and sales promotion. **Office** — Clarkville, Texas. **Underwriter**—Hauser, Murdock, Rippey & Co., Dallas, Texas.

United States Freight Co.
March 15, 1961 filed $15,393,900 of convertible subordinated debentures, due April 1, 1981 to be offered for subscription by holders of its outstanding capital stock on the basis of $100 principal amount of debentures for each seven shares held of record April 20 with rights to expire May 8. **Price** — At par. **Business** — Furnishes freight transportation services. **Proceeds**—For new equipment, expansion and working capital. **Office**—711 Third Ave., New York City. **Underwriter** — Merrill Lynch, Pierce, Fenner & Simth Inc. (managing).

U. S. Mfg. & Galvanizing Corp. (5/15-19)
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 & Co., Inc., 15 William St., New York, N. Y.

• U. S. Realty Investment Trust (5/29)
March 30, 1961 filed 386,975 shares of beneficial interest in the Trust. **Price**—$10 per share. **Business**—The ownership of diversified real estate properties. **Proceeds**—For investment. **Office**—720 Euclid Ave., Cleveland, O. **Underwriter** — Hornblower & Weeks, New York City (managing).

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in the fall of 1961.

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.

Upper Peninsula Power Co. (5/17)
April 14, 1961 filed 26,000 shares of common stock (par $9). **Price**—To be supplied by amendment. **Proceeds**—To repay debt and for construction. **Office**—616 Shelden Avenue, Houghton, Mich. **Underwriters**—Kidder, Peabody & Co.; Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp.

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.

Vahlsing, Inc.
April 24, 1961 filed 300,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company plans to acquire the business of F. H. Vahlsing, Inc., a Maine grower and shipper of potatoes and to operate a plant now being constructed for the processing of potatoes. **Proceeds**—For the repayment of debt and working capital. **Office** — Easton, Maine. **Underwriter**—Pistell, Crow, Inc., New York City (managing).

★ Varian Associates
May 1, 1961 filed 347,883 shares of capital stock to be offered for subscription by shareholders on the basis of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of microwave tubes, and electronic components and systems for military, commercial and industrial use. **Proceeds**—For a new plant, equipment, the repayment of bank loans and for working capital. **Office**—611 Hansen Way, Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco (managing).

• Vector Engineering, Inc. (5/15-19)
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.

Versapak Film & Packaging Machinery Corp.
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

Virginia Chemicals & Smelting Co. (6/6)
April 18, 1961 filed 135,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 85,000 outstanding shares for the selling stockholders. **Price** — To be supplied by amendment. **Business**—The manufacture of industrial chemicals, refrigerants and aerosol insecticides. **Proceeds**—For expansion. **Office**—Norfolk, Va. **Underwriter**—White, Weld & Co., New York City (managing).

Waldorf Auto Leasing, Inc.
March 23, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The rental of automobiles. **Proceeds**—For purchase of automobiles, advertising and sales promotion, and working capital. **Office**—1712 E. 9th Street, Brooklyn 23, N. Y. **Underwriters**—Martinelli & Co., Inc.; First Atlantic Securities Co. and V. K. Osborne & Sons, Inc., all of New York City. **Offering**—Expected in late May.

Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

• Waltham Watch Co. (5/15-19)
March 9, 1961 refiled 100,000 shares of common stock (par $2.50) and $600,000 of 16-year convertible bonds (convertible into common at $6 per share), to be sold initially to stockholders in units of 25 shares of stock and $150 of debentures. **Price**—For the stock: about $8 per share; for the debentures: at par. **Business** — The importing, assembling, manufacturing and selling of watches and jewelry. **Proceeds** — For working capital. **Office**—231 South Jefferson St., Chicago, Ill. **Underwriter**—P. J. Gruber & Co., Inc., (managing); Underhill Securities Corp., and Peter Herbert & Co., Inc., all of New York City.

Warner Brothers Co. (5/15)
March 29, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's foundation garments, men's and women's shirts, sleepwear and paperboard packaging. **Proceeds**—To repay loans incurred for recent acquisitions. **Office**—325 Lafayette St., Bridgeport, Conn. **Underwriter**—Lehman Brothers, New York City (managing).

• Washington Natural Gas Co.
March 30, 1961 filed 118,384 shares of common stock and warrants to purchase 3,500 shares. The company is offering 114,884 shares for subscription by common stockholders on the basis of one new share for each 10 shares held of record May 1, with rights to expire May 22. **Price**—$29 per share. **Business**—The distribution of natural gas at retail in the Puget Sound area of Washington state. **Proceeds**—For the repayment of bank loans and for construction. **Office**—1507 Fourth Ave., Seattle, Wash. **Underwriters**—Dean Witter & Co., San Francisco; Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City.

Washington Real Estate Investment Trust
March 31, 1961 filed 600,000 shares of beneficial interest in the Trust. **Price**—$5 per share. **Business**—For investment in income producing real estate in the metropolitan Washington, D. C. area. **Proceeds**—For investment. **Office**—919 18th St., N. W., Washington, D. C. **Underwriters** — Ferris & Co., Washington, D. C. (managing). **Offering**—Expected in late June.

Watsco, Inc.
April 13, 1961 filed 155,000 shares of common stock, of which 135,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business**—The manufacture of valves, strainers and other products for the refrigeration and air conditioning industry. **Proceeds**—For construction; new equipment; advertising; salaries; the repayment of debt, and working capital. **Office**—1020 E. 15th St., Hialeah, Fla. **Underwriter**—Aetna Securities Corp., New York City (managing).

Wayne-George Corp. (5/15-19)
March 22, 1961 filed 80,000 shares of common stock (no par), of which 60,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of digital transducers. **Proceeds**—For repayment of debt, new equipment, research and development, and working capital. **Office**—588 Commonwealth Ave., Boston, Mass. **Underwriter**—Hayden, Stone & Co., New York City.

Webster Publishing Co., Inc.
March 13, 1961 filed 131,960 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 51,960 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—Publishes textbooks for elementary and high school students. **Proceeds** — To develop program materials designed for use in teaching machines and in other formats, and for working capital. **Office**—1154 Reco Ave., St. Louis, Mo. **Underwriter**—Newhard, Cook & Co., St. Louis (managing).

• Welch Scientific Co. (5/29)
March 20, 1961 filed 545,000 shares of common stoc (par $1), of which 176,000 are to be offered for public sale by the company and 369,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of scientific instruments, laboratory apparatus and supplies. **Proceeds** — For working capital. **Office** — 1515 North Sedgwick Street, Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing).

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 Growth Corp.
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City. **Offering**—Expected in late May.

Western Land Trust Fund
March 30, 1961 filed 200,000 shares of beneficial interest in the Fund. **Price** — $10 per share. **Business** — A closed-end real estate investment trust. **Proceeds**—For investment. **Office**—1031 First Western Bldg., Oakland, Calif. **Underwriter**—To be named.

Willer Color Television System, Inc.
Jan. 29, 1961 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

Williamhouse, Inc.
March 27, 1961 filed 106,000 shares of common stock. **Price** — $6 per share. **Business** — The manufacture and sale of paper products including envelopes, announcements and advertising materials. **Proceeds**—To repay debt and for working capital. **Office**—185 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

Wolf Corp. (5/16)
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.

Work Wear Corp.
March 31, 1961 filed 310,604 shares of common stock (par $1), of which 141,925 shares are to be offered for public sale by the company and 168,679 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of work clothing, and industrial laundering and garment rental. **Proceeds**—For the repayment of debt and working capital. **Office**—1768 East 25th St., Cleveland, O. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected in late May.

Wrather Corp.
March 29, 1961 filed 350,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company manufactures and sells Stephens power and sail boats, and various marine and sporting goods manufactured by others. It also plans to acquire the stock of Muzak Corp., Wrather Hotels, Inc., Wrather Realty Corp., Stephens Marine, Inc., and various television film properties. **Proceeds** — For construction, repayment of debt and working capital. **Office** — 270 North Canon Drive, Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in early June.

• Youngwood Electronic Metals, Inc.
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office**—204 North Fifth Street, Youngwood, Pa. **Underwriters** — Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City. **Offering**—Expected in June.

Prospective Offerings

A. T. U. Productions, Inc.
March 15, 1961, it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To finance production of TV films. **Office** — 130 W. 57th Street, New York City. **Underwriter**—Marshall Co., 40 Exchange Place, New York City. **Registration**—Expected in May.

Acoustica Associates, Inc.
April 11, 1961, it was stated that this company is seeking to acquire other firms with compatible product lines and that equity financing may be needed to finance current expansion program. **Business** — The company manufactures ultrasonic cleaning systems for missile equipment, hospital surgical instruments and the metals industry. It also makes fluorescent lighting fixtures and a product for gauging the level of liquids. **Office**—First National Bldg., Birmingham, Ala. **Underwriter**—Lehman Brothers, New York City.

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 in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada

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★ All American Airways
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Office**—Danbury, Conn. **Underwriter**—Edward Lewis Co. Inc., New York City (managing).

● American Export Lines, Inc.
May 3, 1961 it was reported that this company plans to sell $18,400,000 of government insured merchant marine bonds due Sept. 1, 1985. **Business**—The company operates passenger and cargo vessels between New York City and the Great Lakes to the Mediterranean and Red Sea Ports, India and Burma. **Proceeds**—To cover 75% of the cost of four new vessels now under construction. **Office**—39 Broadway, New York City. **Underwriter**—Kuhn, Loeb & Co., New York City. **Offering**—Expected in late May.

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.

American Telephone & Telegraph Co. (6/6)
March 15, 1961, the company announced plans to issue $250,000,000 of debenture bonds. **Proceeds**—For refunding a like amount of 5⅜% debentures due Nov. 1, 1986, on or about July 10. **Office**—195 Broadway, New York 7, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co.; First Boston Corp. **Bids**—To be received at the office of the company on June 6.

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 $230,000,000 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.

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.

★ Brockton Edison Co.
May 3, 1961 it was reported that this subsidiary of Eastern Utilities Associates is considering the refinancing of its $3,000,000 outstanding preferred with $4,000,000 of a lower dividend issue. **Office**—36 Main Street, Brockton, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Kuhn, Loeb & Co., and Stone & Webster Securities Corp.

Caldor, Inc.
March 15, 1961 it was reported that a full filing will be made soon covering an undisclosed number of common shares. **Price**—$5 per share. **Business**—Operates a chain of discount stores in Northern Westchester and Connecticut. **Office**—Riverside, Conn. **Underwriter**—Ira Haupt & Co., New York City (managing). **Registration**—Temporarily postponed.

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.

Canandaigua Enterprises, Inc.
March 22, 1961 it was reported that this company plans to sell publicly about 40,000 units, each unit to consist of one 7% debenture, 6 common shares and three warrants. **Underwriter**—S. D. Fuller & Co., New York City (managing).

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.

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 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.

Chicago, Burlington & Quincy RR. (5/4)
April 4, 1961 it was reported that this road plans to sell $4,800,000 of equipment trust certificates. **Offices**—547 W. Jackson Blvd., Chicago, Ill., and 39 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on May 4 at 12 noon (CDST) in Chicago.

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.
April 24, 1961 it was reported that this company 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 on the debentures: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). The last sale of common stock on May 4, 1960 was handled by a group headed by Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co., and Carl M. Loeb, Rhoades & Co.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 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.

Consolidated Edison Co. of New York, Inc. (6/20)
March 22, 1961 it was reported that this company plans to sell $50,000,000 of 30-year first mortgage bonds. **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. **Bids**—To be received at the company's office on June 20 at 11 a.m. **Information Meeting**—Scheduled for June 13 at 10 a.m., on the 13th floor of 4 Irving Place, New York City.

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.

★ Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

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 Avenue, South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

Dixie Pipeline Co.
April 17, 1961 it was reported that this firm, recently formed by eight major oil companies, plans to build a 1,100 mile liquified petroleum gas pipeline from Texas and Louisiana to Mississippi, Alabama, Georgia and the Carolinas. It is expected that the multi-million dollar pipeline will be financed in part by the sale of bonds and that it will be in operation by late 1961. **Office**—Tulsa, Okla. **Underwriters**—First Boston Corp.; Morgan Stanley & Co.; Carl M. Loeb, Rhoades & Co.

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.

Edo Corp.
March 21, 1961 it was reported that this company plans the issuance and sale of $2,000,000 of bonds. **Business**—The manufacturer of electronic equipment, particularly marine, airborne and underwater devices. **Proceeds**—For expansion. **Office**—1404 111 Street, College Point, N. Y. **Underwriter**—To be named.

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.

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.

Fashion Flair Stores, Inc.
April 27, 1961 it was reported that this company plans to refile on May 1 a "Reg. A" covering 86,350 shares of common stock. **Price**—$3 per share. **Business**—The discount sale to consumers of women's dresses and sportswear. **Proceeds**—For general corporate purposes. **Office**—53 West 36th Street, New York City. **Underwriters**—Ronwin Securities Corp., Staten Island, N. Y., and Security Options Corp., New York City.

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.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for 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 Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

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.

★ **Gabriel Co.**
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

Gas Service Co.
April 19, 1961, the company reported that on April 18 stockholders voted to authorize a new issue of 150,000 shares of preferred stock (par $100). The company is considering the sale of between $5,000,000 to $7,500,000 of preferred and may issue some bonds at the same time. **Office** — 700 Scarritt Bldg., Kansas City, Mo. **Underwriters**—To be named. The company has never issued preferred stock, but the last sale of common on April 19, 1954 was handled by Kuhn, Loeb & Co., Eastman Dillon, Union Securities & Co., Reynolds & Co., and Allen & Co. The last sale of bonds on July 6, 1958 was made privately through Eastman Dillon, Union Securities & Co., New York City and Stern Brothers & Co., Kansas City, Mo.

General Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

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. **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.

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.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

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 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.

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 Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Illinois Bell Telephone Co.
March 31, 1961 it was reported that this subsidiary of A. T. & T., plans to offer stockholders in June the right to subscribe to additional common stock on the basis of one new share for each eight shares held. Based on the 33,525,217 shares outstanding on Dec. 31, 1960 this would amount to about 4,190,652 additional shares valued at approximately $84,000,000. **Office** — 212 West Washington St., Chicago 6, Ill. **Underwriter**—None.

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 Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

International Parts Corp.
April 17, 1961 it was reported that a registration will be filed shortly covering an undisclosed number of outstanding common shares. **Business**—Manufactures automobile equipment and parts. **Office**—Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Chicago (managing).

★ **International Silver Co.**
May 3, 1961 it was reported that the company is considering the offering of about $8,000,000 of subordinated convertible debentures to stockholders about mid-July. **Business**—The company manufactures and sells a complete line of silverware, holloware, flatware and cutlery. **Office**—16 East 40th Street, New York City.

Interstate Department Stores, Inc.
April 24, 1961 it was reported that stockholders are to vote May 24 on increasing the authorized common to provide for a 3-for-1 stock split of outstanding shares. The additional shares would be distributed June 23 to holders of record May 29. It was also stated that the company is considering financing to provide additional funds to expand discount store operations. **Office** — 111 Eighth Ave., New York City.

Kansas Power & Light Co.
March 15, 1961 it was reported that this company is considering the issuance of $10,000,000 to $15,000,000 of bonds in the third or fourth qarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., 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).

Louisville & Nashville RR (5/25)
April 25, 1961 it was reported that this company plans to sell about $5,300,000 of equipment trust certificates. **Office**—71 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—To be received on May 25 at noon (DST).

● **Macrose Industries**
May 2, 1961 it was reported that this company, formerly named Macrose Lumber & Trim Co., Inc., plans a full filing of about 500,000 common shares (par $1). **Business**—The company owns a chain of lumber yards on Long Island. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—Edwards & Hanly, Hempstead, N. Y. **Offering**—Expected in July.

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.

Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell 100,000 common shares. **Price** — $5 per share. **Business** — Food distribution. **Proceeds** — For working capital. **Office** — 45-10 Second Ave., Brooklyn, N. Y. **Underwriters**—Brand, Grumet & Siegel, and Kesselman & Co., Inc., New York City (managing).

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.

Missouri Utilities Co.
April 11, 1961 it was reported that this company plans to sell about 50,000 additional common shares to stockholders in September or October on a 1-for-10 rights basis. **Office**—400 Broadway, Cape Girardeau, Mo. **Underwriter**—To be named. The last five rights offerings to stockholders were underwritten by Edward D. Jones & Co., St. Louis.

Mite Corp.
April 27, 1961 it was reported that this company, recently formed through a merger of Teleprinter Co., and Grist Manufacturing Co., plans to sell about 400,000 shares of common stock to raise approximately $5,000,000. **Office**—446 Blake St., New Haven, Conn. **Underwriter**—Charles W. Scranton & Co., New Haven. **Registration**—Expected about May 15.

Modern Home Construction Co.
April 18, 1961 it was reported that this company is considering a public offering of securities, but the details have not yet been decided upon. **Office**—Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., New York City.

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. **Registration**—Expected in May.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

National Airlines, Inc.
April 3, 1961, G. T. Baker, President, stated that the company plans to sell publicly 400,000 shares of Pan American World Airways, Inc., subject to the approval of the CAB and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

★ **National Hospital Supply Co., Inc.**
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business**—The distribution of medical equipment. **Office**—38 Park Row, New York City. **Underwriter** — Edward Lewis Co. Inc., New York City (managing).

National Semi-Conductor Co.
April 18, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Office**—Danbury, Conn. **Underwriters**—Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis, Minn.

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.

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(jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

New York Central RR. (5/10)
April 4, 1961 it was reported that this road plans to sell about $4,155,000 of equipment trust certificates. **Office**—466 Lexington Ave., New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—To be received on or about May 10.

● **Northern Illinois Gas Co. (6/22)**
March 22, 1961 it was reported that this company plans to sell about $20,000,000 of common stock through a rights offering to stockholders of record June 22. **Office**—50 Fox Street, 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 Natural Gas Co.
March 15, 1961, the company reported that it expects to raise about $80,000,000 of new money in 1961. Present plans are for issuance of about $30,000,000 of debentures by mid-year and an additional $30,000,000 to $35,000,000 of debentures by year-end. It is also expected that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter** — Blyth & Co., New York City (managing).

Northern States Power Co. (8/8)
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). **Bids**—Expected to be received on Aug. 8.

Northwestern Public Service So.
April 3, 1961 the company applied to the FPC for permisison to issue up to $4,000,000 of first mortgage bonds. The company stated that it would sell the full amount if it concurrently redeemed all outstanding $1,500,000 of 5⅞% bonds, otherwise only $2,500,000 of the new bonds would be issued. **Office**—Huron, S. D. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Kidder, Peabody & Co. **Offering**—Expected in September.

Pacific Gas & Electric Co.
March 28, 1961 it was reported that this company plans to offer additional common stock to stockholders on the basis of one share for each 20 shares held. Based on the 17,929,305 shares outstanding on Dec. 31, 1961 this would amount to about 896,465 common shares. **Office**—245 Market Street, San Francisco 6, Calif. **Underwriter**—To be named. The last rights offering on June 17, 1958 was underwritten by Blyth & Co., Inc., New York City.

Pacific Telephone & Telegraph Co.
March 24, 1961 stockholders of this A. T. & T. subsidiary approved a plan to form a new company to be known as the Pacific Northwest Bell Telephone Co. The new concern will acquire the business and properties of the Pacific Telephone-Northwest division which operates in Washington, Oregon, and Idaho. All of the stock of the new company will be owned by Pacific Telephone but "as soon as practicable" it will be offered for sale to Pacific Telephone stockholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery Street, 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 shares, exercised its rights to subscribe to its pro rata 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 Power & Light Co.
April 11, 1961 it was stated in the 1960 annual report that this utility expects to spend $140,000,000 on new construction in the 1961 to 1965 period, of which about $56,000,000 will have to be raised through the sale of securities. However, the company now sees no necessity for the sale of equity securities, but expects to convert its present $35,000,000 of bank loans to long-term debt when securities market conditions are favorable. **Office**—9th and Hamilton Streets, Allentown, Pa. **Underwriters**—To be named. The last four bond issues were sold privately. The last public offering of bonds on Oct. 4, 1945 was underwritten by Smith, Barney & Co.; First Boston Corp.; Dillon, Read & Co., Inc., and associates.

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. (6/6)
March 22, 1961 it was reported that this company plans to sell about 900,000 shares of common stock, subject to the approval of the New Jersey Public Service Commission. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

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

Science Capital Corp.
April 18, 1961 it was reported that a full filing will be made within a few weeks covering an undisclosed number of common shares. **Business**—A small business investment company. **Office**—Philadelphia, Pa. **Underwriters**—Blair & Co., New York City (managing); Stroud & Co., and Woodcock, Moyer, Fricke & French, Philadelphia.

Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

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 $25,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Texas Eastern Transmission Corp.
April 26, 1961 it was stated in the 1960 annual report that this company expects to sell about $85,000,000 of new securities in 1961. Approximately $45,000,000 of this amount was raised on Jan. 17, 1961 through the sale of $30,000,000 of first mortgage bonds and 150,000 shares of 5.52% preferred stock, leaving a balance of $40,000,000 to be obtained later in the year. **Office**—Texas Eastern Bldg., Houston, Tex. **Underwriters**—To be named. The last sale of securities was handled by a group headed by Dillon, Read & Co. Inc., First Boston Corp., and Kuhn, Loeb & Co.

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.

Thorough-Bred Enterprises, Inc.
March 16, 1961 it was reported that this company plans to sell 85,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business** — Operates a breeding farm for thoroughbred horses. **Proceeds**—For building a barn, purchasing land and acquiring additional horses. **Office**—Biscayne Boulevard, Miami, Fla. **Underwriter**—Sandkuhl Company, Inc., Newark, N. J., and 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.

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.

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. (DST). **Information Meeting**—Scheduled for June 8 at 11 a.m. (DST) at the Chase Manhattan Bank, One Chase Plaza, New York City.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

Walter (Jim) Corp.
April 17, 1961 it was reported that this company plans to sell a minimum of $20,000,000 of debentures. **Business**—The company constructs shell homes, provides credit life insurance on home mortgages and operates a chain of small loan companies. **Office**—1500 North Dale Mabry Highway, Tampa, Fla. **Underwriters**—To be named.

West Coast Telephone Co.
April 11, 1961 it was stated in the 1960 annual report that the company plans to spend $12,000,000 for new construction in 1961, most of which is expected to be raised by the sale of securities. **Office**—1714 California St., Everett, Wash. **Underwriter**—To be named. The last sale of bonds and preferred stock in May and July 1960 was done privately. The last sale of common on Sept. 16, 1960 was underwritten by Blyth & Co., Inc., 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 Drive, 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 10 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 woud 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 Street, 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).

General Prec'n Issues Offered

A group of underwriters managed jointly by The First Boston Corp. and Tucker, Anthony & R. L. Day offered publicly on May 3 a new issue of 150,000 shares of General Precision Equipment Corp. common stock at $70.50 per share. Concurrently with this offering, the same group of underwriters headed by The First Boston Corp. and Bear, Stearns & Co. made an unregistered secondary offering at the same price of 234,511 shares of the corporation's common stock which they had purchased from The Martin Co. The sale by The Martin Co. will result in complete divestment by that company of stocks of General Precision Equipment Corp.

General Precision is a holding company whose subsidiaries are engaged principally in the development and production of electronic and electro-mechanical components, sub-systems, systems and equipment for military aircraft, submarines and other naval vessels, missiles and space vehicles. Other products include data processing and display systems for air traffic control, ground instrument flight trainers and simulators, industrial controls, electric motors, generators and battery chargers, motion picture theater and camera equipment and scientific instruments.

J. W. Sims Opens

(Special to The Financial Chronicle)

LONG BEACH, Calif.—Jerry W. Sims is conducting a securities business from offices at 909 East Third Street.

Form Fagenson & Frankel

Fagenson & Frankel Co., Inc. will be formed as of May 1, with offices at 120 Broadway, New York City. Officers of the firm, which will be a member of the New York Stock Exchange, will be Bertram F. Fagenson, President, and Jerome Frankel, Secretary-Treasurer. Both are members of the Exchange, and are partners in B. F. Fagenson & Co. which is being dissolved.

Now Mason, Bobb Co.

WASHINGTON, D. C.—The firm name of Metropolitan Trading Corporation, 1730 K Street, N. W., has been changed to Mason, Bobb & Company.

Niagara Investors Branch

SEAFORD, N. Y. — Niagara Investors Corporation has opened a branch office at 3814 Merrick Road, under the management of Denis Broudy.

L. A. Mathey Admits

L. A. Mathey & Co., 120 Broadway, New York City, members of the American Stock Exchange, have admitted John P. O'Brien to general partnership. Mr. O'Brien will represent the firm on the American Stock Exchange.

With Brush, Slocumb

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — A. Joseph Bellizzi is now affiliated with Brush, Slocumb & Co., Inc., 465 California Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Bellizzi was formerly with Walston & Co. and J. S. Strauss & Co.

Tronomatic Stock Sold

Plymouth Securities Corporation's offering of 65,000 shares of Tronomatic Corp. stock at $4 per share has been all sold.

In 1956 the company commenced researching blister packaging machinery and developed a number of sealing machines and die-cutting equipment. The company recently began the manufacture of machines to mold expandable polystyrene.

Manufacturing, engineering activities, offices, and show room are at 25 Bruckner Boulevard, Bronx, New York.

Form B. Z., Isaacs

B. Z., Isaacs & Co. has been formed with offices at 305 Broadway, New York City, to engage in a securities business. Partners are Benjamin Zlotnick and Zachary Isaacs.

Form Stow & Rothenbush

(Special to The Financial Chronicle)

LONG BEACH, Calif.—Stow and Rothenbush has been formed with offices at 853 Atlantic Avenue to engage in a securities business. Partners are William R. Stow, Jr. and Franklin G. Rothenbush. Mr. Stow was formerly with Gordon C. McCormick, Inc. Mr. Rothenbush was with California Investors.

Ginsburg & Tobin Partner

Jerome A. Tobin has become a partner in Ginsburg & Tobin, 86 Trinity Place, New York City, members of the American Stock Exchange. Mr. Tobin is a member of the Exchange.

James Andrews Co. Names Two V.-Ps.

Donald R. MacNaughton and Peter C. Trent have been elected Vice-Presidents of James A. Andrews & Co. Inc., 70 Pine Street, New York City.

DIVIDEND NOTICES

United States Pipe and Foundry Company

Burlington, N. J., April 27, 1961

The Board of Directors this day declared a quarterly dividend of thirty cents (30¢) per share on the outstanding Common Stock of this Company, payable June 15, 1961, to stockholders of record on June 1, 1961.

The transfer books will remain open.

United States Pipe and Foundry Company
JOHN W. BRENNAN, *Secretary & Treasurer*

DOME MINES LIMITED

April 27, 1961

DIVIDEND NO. 175

At a meeting of the Board of Directors of Dome Mines Limited, held this day, a quarterly dividend of Seventeen and One-Half Cents (17½c) per share (in Canadian Funds) was declared payable on July 31, 1961, to shareholders of record at the close of business on June 30, 1961.

CLIFFORD W. MICHEL,
Chairman and Treasurer.

DIVIDEND NO. 86

Hudson Bay Mining and Smelting Co., Limited

A Dividend of seventy-five cents ($.75) (Canadian) per share has been declared on the Capital Stock of this Company, payable June 12, 1961, to shareholders of record at the close of business on May 12, 1961.

J. M. McCARTHY, *Treasurer*

SOUTHERN NATURAL GAS COMPANY

Birmingham, Alabama

Common Stock Dividend No. 89

A regular quarterly dividend of 50 cents per share has been declared on the Common Stock of Southern Natural Gas Company, payable June 14, 1961 to stockholders of record at the close of business on May 31, 1961.

W. S. TARVER,
Secretary

Dated: April 29, 1961.

Dividend Notice

AMERICAN & FOREIGN POWER COMPANY INC.

100 CHURCH STREET, NEW YORK 7, N.Y.

The Board of Directors of the Company, at a meeting held this day, declared a dividend of 12½ cents per share on the Common Stock for payment June 9, 1961 to shareholders of record at the close of business May 10, 1961.

H. W. Balgooyen,
Executive Vice President and Secretary

April 28, 1961.

Harbison-Walker Refractories Company

Board of Directors has declared for quarter ending June 30, 1961 DIVIDEND of ONE and ONE-HALF (1½%) PER CENT or $1.50 per share on PREFERRED STOCK, payable July 20, 1961 to shareholders of record July 6, 1961.

Also declared a DIVIDEND of $.45 per share on COMMON STOCK, payable June 1, 1961 to shareholders of record May 10, 1961.

Thomas Welfer
Secretary

Pittsburgh, April 27, 1961

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pf PACIFIC FINANCE CORPORATION

DIVIDEND NOTICE

A regular quarterly dividend of 65 cents per share on the common stock ($10 par value) payable on June 1, 1961, to stockholders of record May 15, 1961, was declared by the Board of Directors on April 26, 1961.

B. C. REYNOLDS, *Secretary*

***Cities Service* COMPANY**

Dividend Notice

CITIES SERVICE

The Board of Directors of Cities Service Company declared a quarterly dividend of sixty cents ($.60) per share on its Common Stock, payable June 5, 1961, to stockholders of record at the close of business May 8, 1961.

April 26, 1961. FRANKLIN K. FOSTER, *Secretary*

COLUMBIAN CARBON COMPANY

One-Hundred and Fifty-Eighth Consecutive Quarterly Dividend

A quarterly dividend of 60 cents per share on the Capital Stock of the Company will be paid June 9, 1961 to stockholders of record at the close of business May 15, 1961.

RODNEY A. COVER
Vice-President—Finance

FLINTKOTE *Diversified Products For Home and Industry*

THE FLINTKOTE COMPANY

NEW YORK 20, N. Y.

quarterly dividends have been declared as follows:

Common Stock*: $.30 per share
$4 Cumulative Preferred Stock: $1 per share
$4.50 Series A Convertible 2nd Preferred Stock: $1.12½ per share
$2.25 Series B Convertible 2nd Preferred Stock: $.56¼ per share

These dividends are payable June, 15, 1961 to stockholders of record at the close of business May 19, 1961.

*131st consecutive dividend

JAMES E. McCAULEY, *Treasurer*
May 3, 1961

COMBUSTION ENGINEERING C-E

Dividend No. 231

A Quarterly Dividend of Thirty Cents (30¢) per share on all the outstanding stock of Combustion Engineering, Inc. has been declared, payable July 28, 1961, to stockholders of record at the close of business July 14, 1961.

Lambert J. Gross
Vice-President and Treasurer

National Distillers and Chemical Corporation

NDC U.S.I.

DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 30¢ per share on the outstanding Common Stock, payable on June 1, 1961, to stockholders of record on May 11, 1961. The transfer books will not close.

PAUL C. JAMESON
April 27, 1961. Treasurer

N+U

NATIONAL UNION Fire Insurance Company of Pittsburgh, Pa.

158th DIVIDEND DECLARATION

The Board of Directors of this company on May 2, 1961, declared a cash dividend of Fifty-Five Cents (55¢) a share on the capital stock. The dividend is payable June 23, 1961, to shareholders of record on June 1, 1961.

A K Hatfield
Treasurer

GOODALL RUBBER COMPANY

GOODALL RUBBER COMPANY

COMMON AND PREFERRED DIVIDENDS

The Board of Directors has declared a quarterly dividend of 12½c per share on all Common Stock outstanding and regular semi-annual dividend of $2.50 per share on the 5% Preferred Stock, both payable May 15, 1961 to stockholders of record at the close of business May 1, 1961.

H. G. DUSCH
April 25, 1961 *Vice President & Treasurer*

MURPHY CORPORATION

The Board of Directors of Murphy Corporation at a meeting held on April 26, 1961, declared a quarterly dividend of 12½ cents per share on the Common Stock of the Company, payable on June 22, 1961, to holders of record at the close of business on June 1, 1961.

L. R. Beasley
Treasurer

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—A broad tax reform program is going to be placed before Congress next year by the Kennedy Administration. It will be based on research, tax studies and Congressional hearings.

The reform program will not call for any tax reduction, but more uniformity in distribution of the burden.

Actually the paramount need in the United States today is to lift some of the confiscatory taxation currently in effect. A great deal of harm is being done because of the high taxation. The age-old truism that the power to tax involves the power to destroy was never more true than it is now.

Here is the Nation's Capital, in some circles on Capitol Hill and in private groups, it is not uncommon to hear criticism of the United States Chamber of Commerce. Some members of Congress in talking privately frequently are heard to say in effect: "The only people who are against it are the Chambers of Commerce in my District," or "The Chambers of Commerce are behind this but the average man in the street is not for it."

Despite the derisiveness that is sometimes made against the United States Chamber of Commerce, and the local associations scattered all over the country, these organizations represent "growthmanship," among other things.

As the new week began, officials of chambers of commerce from every state had assembled in Washington for the 49th annual meeting. The National Chamber was all ready to reaffirm some of the sound declarations it has made in the past, and add some new conclusions, on the matter of Federal taxes.

Affect Everyone

The proposed changes by President Kennedy, if enacted into law, would affect every pocketbook in the country. Some of the changes include repeal of the dividend exclusion and credit. Under present law stockholders can exclude from taxable income the first $50 in dividends, which means that a married couple can deduct $100 in dividends when they pay their Federal income tax.

The withholding tax would be expanded to include dividends and interest payments. This would mean that corporations, banks and savings institutions would deduct 20% of all dividend checks to a shareholder.

Although the Internal Revenue Service estimates that some $3 billion a year in dividends and interest are unreported and untaxed each year, this figure might be a little "fat." Because it represents a substantial sum, the Treasury Department is expected to make a concerted drive for withholding dividends, which would mean much more record keeping by corporations.

Cuts a Wide Swath

The New Frontier Administration apparently is going to make a concerted effort also to tighten rules and regulation involving expense accounts. Profit from the sale of depreciable business property, presently taxed at the lesser capital gains tax, would be included as ordinary income and taxed at a higher rate.

Co-operatives which have had a marked tax privilege in many states as well as on the Federal level would have the patronage dividends of members taxed. There would also be some amendments to the tax laws involving some insurance companies and building and loan institutions.

These are just a few things. There are numerous others involved, such as the current tax provision allowing Americans residing temporarily abroad, to enjoy an exemption from income taxation.

All tax measures, under the constitution of our country, must originate in the House of Representatives, which means the House Ways and Means Committee. Incidentally, some members of the House Ways and Means Committee are pressing for passage at this session legislation to tax all types of fire and casualty insurance companies alike.

There is an existing discrimination against stock fire and casualty insurance companies in favor of large mutual and reciprocal fire and casualty companies, according to the sponsors. The bill, which apparently has a favorable chance of passage, would affect some 600 mutual companies which write more than 95% of all mutual fire and casualty policies.

Higher, Not Lower Taxes

While President Kennedy is seeking a more uniform tax rate, which in effect will mean higher taxes for everybody — directly or indirectly—there is a group that is getting ready to wage a campaign nationally to repeal the individual income tax.

The leaders of the group, of course, will not make any headway in their aim anytime in the foreseeable future, if ever. Nevertheless, their campaign may serve a useful purpose.

There is no question that confiscatory taxation opens the gate to spending and more spending by the Federal Government, which, as it was pointed out here recently, is the biggest business in the world today.

It is no secret that taxes are so steep that the incentive for many people has been curbed or killed. More and more people rebel at paying more taxes. This is not news to any member of the United States Congress.

The United States Chamber of Commerce, like most Americans, favors adequate taxation for national defense purposes and for operating the government on a sensible and sound basis. Nevertheless, if the Federal, state and local governments are going to continue to increase taxes, the question arises: Where are we going to obtain the steady stream of investment money needed to provide jobs for the growing labor force?

Virtual Confiscation

The reason there is a continuous growth and demand for fringe benefits by workers over the country is because of the high taxes on wages and salaries.

The business tax today is little short of confiscation. A corporation must pay 52% of its profits to the Federal Government, before it pays a dime to a stockholder, who risks his capital. The shareholders and investors should get a fair return after taxes. There should be a substantial corporate tax reduction. The tax on capital gains should be continuously reduced and eliminated, according to some of our wisest students of taxation.

The present $50 dividend credit allowance to an individual should be increased a great deal. If this were done, some members of Congerss believe that there would be a far greater amount of funds risked in business and industry.

Because estate and gift taxes are so steep, many family enterprises must of necessity be dissolved or broken up after the death of one of the principals. It is because these small business enterprises are broken up that the larger business enterprises will become larger and larger and there will be more and more anti-trust suits filed by the Department of Justice.

The Federal Government should not get into the field of all available tax sources, and the estate and gift tax area is one that should be left to the various states. There are several other areas the government in Washington should vacate in favor of the states.

[*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.*]

"Before investing I'd like to become more familiar with the economic position, management situation, financial condition and that blonde over there!"

Named Director

Former U. S. Secretary of the Treasury Robert B. Anderson has been elected a director of The Goodyear Tire & Rubber Company, Chairman E. J. Thomas announced following a meeting of the board of directors.

Mr. Anderson, who left the Treasury in January, recently became a limited partner in the New York brokerage-investment firm of Carl M. Loeb, Rhoades & Company.

After the board meeting, Mr. Thomas reported that an upturn in business which began in March had continued through April.

Partly because of reduced deliveries of various products to automobile manufacturers, first quarter sales were off 14.3% to $345,653,781 compared with last year's record of $403,416,313. Earnings, however, declined only 9.5% for the period, particularly reflecting continued improvement in earnings from international operations. Estimated net income for the first quarter amounted to $15,404,059, equal to 45 cents per share on 33,902,311 shares outstanding March 31. This compares with $17,025,567, or 50 cents per share on the same number of shares, for the first quarter a year ago.

Form Poldin Planners

DOUGLASTON, N. Y. — Poldin Planners, Inc. has been formed with offices at 246-65 Fifty-seventh Drive to engage in a securities business. Officers are Abraham S. Pollack, President and Treasurer; and Elinor Pollack, Vice-President and Secretary.

COMING EVENTS

IN INVESTMENT FIELD

May 4-5, 1961 (Nashville, Tenn.)
Security Dealers of Nashville Annual Spring party—dinner May 4 at the Hillwood Country Club, outing May 5 at the Belle Meade Country Club.

May 8-9, 1961 (St. Louis, Mo.)
Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

May 19, 1961 (Baltimore, Md.)
Baltimore Security Traders Association 26th annual spring outing at the Country Club of Maryland.

May 19, 1961 (New York, N. Y.)
STANY Glee Club 7th annual dinner dance at the Waldorf-Astoria Hotel.

June 2, 1961 (New York City)
Bond Club of New York annual outing at Sleepy Hollow Country Club.

June 8, 1961 (Cedar Rapids, Iowa)
Iowa Investment Bankers Association annual Field Day at the Cedar Rapids Country Club (preceded June 7 by a cocktail party and dinner reception at the Roosevelt Hotel).

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, Jasper, Alta.

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 and the Diplomat 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.