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Editorial AS WE SEE IT

The chief defender of the new economic frontier's philosophy, apparently stung by charges of "stagnationism," has issued an *apologia pro vita sua* which we were glad to publish in our May 25th issue. Defining the term stagnationism, according to his own ideas, Walter W. Heller, Chairman of the President's Council of Economic Advisers, is able to make it clear that neither he nor the Administration belong to that cult as thus interpreted. We, however, are not particularly interested in the semantics of this issue, and we doubt if the general public is. What is clear is, first, that the powers that be in Washington are convinced that we have not been growing as fast as we should in recent years—whether growth refers to actual output or output potentials—and second, that they know how greater growth can be induced without damage to our economic system. Although Mr. Heller, like the author and finisher of the New Frontier's faith, speaks in broad generalities, it is equally clear that the President and his chief economic adviser believe that very large Federal outlays are necessary for the purpose.

The Chairman leaves no one in doubt that he, at least, is inclined to measure economic performance in terms of both the potential existing at any given time and the degree to which that potential is being employed. Some such doctrine has often been implied in official utterances since the first of the year and on the political hustings prior to that time, but this is the first time, so far as we can recall, that the matter has been spelled out in such explicit detail. Mr. Heller is a learned economist, highly respected in his profession, but we venture to wonder whether he is fully aware of the implications of what he seems to be saying. He speaks of "full employment" of available manpower and physical resources in the production of useful goods and services and the implication seems quite plain that he regards just that as the ideal state of economic affairs. But let us take a closer look at this notion. No (Continued on page 23)

Technological Progress versus Concentration in Manufacturing

By Melchior Palyi, Chicago, Ill.

Refutation of the widespread notion that modern technology eliminates small business and competition in manufacturing avers that the opposite is the case. Dr. Palyi labels the notion an economic myth in pointing out that "instead of promoting monopoly, this new technological trend puts a premium on competition." Examined is the record of inventions, innovations and symbiosis between large and small units and the composition of our growth industries, and the ability of large-scale firms to finance the huge expenditures technological progress can require.

The Socialist battle cry in the mid-19th century was—the machine-apparatus will grow to gigantic dimensions ending all competitive enterprise. It echoed in the late 1930's in the New Deal's anti-business and anti-"technocratic" propaganda. The same theory, or slogan, still haunts the collectivist camps. A century ago, at an early stage of the industrial revolution, this idea may have had some justification. Little, if any, justification was left a generation ago; by this time it amounts to a travesty of facts.


Dr. Melchior Palyi

There are, of course, manufacturing processes which necessitate stupendous equipment. On the face of it, the assembly line is scarcely fit for small business. Yet, history does not confirm the Marxian thesis: that, with the machine becoming ever-greater and ever-costlier, first the small competitor, then the medium ones, in due course also the "big," are all eliminated by the biggest. Take, for instance, the paper industry which operates what is, next to certain electric generators, the largest one-piece apparatus. Nowhere, not even in countries of the size of Sweden or Finland, is the basic production concentrated in a single firm. Moreover, numerous minor enterprises are perfectly capable of competing in the markets for processed paper. Similarly, in the auto industry a moderate sized enterprise like American Motors Co. has shown that even the assembly line is not the exclusive privilege of the mammoth firms.

Actually, a *second technological revolution* has evolved in the last two generations. This is illustrated in the field of transportation. The railroads had a virtual monopoly until World War I, and they had to be large-scale operators. What has happened since 1920 is history, though its full significance is not always understood. The owners of a single truck or of a single car, each with a few thousand dollars worth of investment, are not only capable of competing with a gigantic railroad system and its multi-billion capital "power," but in several cases have put the latter out of business. Similar competitive developments have taken place in manufacturing industries and are progressing further—thanks, in part also, to the decentralization in the transport and related industries.

Puts Premium on Competition

Instead of promoting monopoly, this new technological trend puts a premium on competition—by permitting, or actually fostering, the entrance and effective survival of smaller business units even into realms which seemed to be the exclusive hunting ground of large-scale enterprise. To quote Dr. J. M. Blair (Washington):

"The long-term, general and pervasive increase in plant size throughout most industries has come to an end.

". . . as a result of new decentralizing techniques in the fields of power, material, machinery, and transportation, technology is now tending to promote a smaller rather (Continued on page 28)

PICTURES IN THIS ISSUE: Candid photographs taken at the Annual Outing of the Bond Club of New York appear in today's pictorial section.

The Security I Like Best . . .

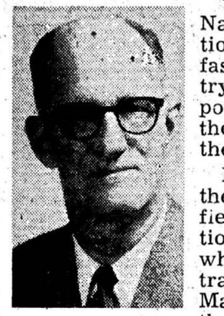
A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

H. L. McALLISTER

Chairman, Executive Committee, R. S. Dickson & Co., Inc., Charlotte, N. C.

Piedmont Natural Gas Co., Inc.

Piedmont Natural Gas Company, Inc., was incorporated under the New York laws on May 22, 1950, to acquire gas systems of Duke Power Company and others in North and South Carolina. The company distributes natural gas purchased from Transcontinental Gas Pipe Line Corporation in the Piedmont area, including Charlotte, Winston-Salem, Greensboro, High Point, Salisbury, Burlington, Asheboro, Huntersville, Randleman, Graham, Spencer, East Spencer and Thomasville. In South Carolina, Greenville, Spartanburg, Iva, Star, Sampsonville, Woodruff, Belton, Mauldin, Honea Path and Anderson. It serves over 790,000 people. The company owns one propane gas mixing installation, having an estimated effective capacity of 20,000 mcf per day available for peak shaving purposes; 165 miles of transmission lines of up to 12 inches diameter which connect the distribution systems of the company with the main transmission system of Transcontinental, and 3,731 miles of 3-inch equivalent pipe of distribution mains. The franchises expire at various dates from 1969 to 2019. The company is subject to the jurisdiction and regulations of the North and South Carolina utilities commissions as to rates.



H. L. McAllister

On Oct. 26, 1960, the company entered into a 20-year agreement with Transcontinental Gas Pipe Line Corporation, providing for 61,123,000 cubic feet of natural gas per day.

From a modest beginning in 1950, the company showed operating revenues of $1,474,658 the first year, ended Dec. 31, 1951, with a net deficit of $762,114 on the outstanding stock of 415,300 shares of $1 par value common. Operating revenues for the year ended Dec. 31, 1960, were $14,970,393, or 27% over the revenues shown for 1959. The company ended this year with a net income of $992,516, or 53 cents per share on the present outstanding stock of 1,268,322 shares of 50 cents par value.

During 1960, 20,046,355 mcf of gas was delivered to 75,471 customers, and during this period $5,239,973 was spent on construction. The total plant account at the end of 1960 amounted to $35,870,281, and the construction program for 1961 is expected to require $5,000,000 and includes $2,570,000 for the connection of new customers, $1,670,000 for system improvements and replacements, and additional peak shaving equipment of $232,000. Also included for 1961 is the construction of a new general office building estimated to cost $475,000 on land owned by the company adjoining their operational headquarters building in Charlotte.

Looking back over the record, on March 29, 1951, the holders of the common stock were given rights to buy one share for each two shares held at $4.50 per share. The purchaser of this stock at $4.50 would now have two shares after the 2-for-1 split in September 1951, worth at the prevailing market $33.25 for the original stock purchased under the rights at a net cost of $4.50, or 7.39 dollars for each dollar invested in 10 years.

The location of the Piedmont Natural Gas in the Piedmont section of the Carolinas, one of the fast growing sections of the Country, offers exceptional growth possibilities for a continuation of the growth pattern already set by the company.

I like Piedmont Natural Gas for the reason that it is in the utility field and is geared to the population growth of the community which it serves. The stock is traded in the Over-the-Counter Market and is quoted regularly on the NASD quotations.

G. D. SUTTON

Manager, Research Department, Nesbitt, Thomson & Company, Limited, Montreal, Canada

Members: Montreal Stock Exchange, Toronto Stock Exchange and Canadian Stock Exchange

Canadian Oil Companies Limited

There is little glamour left in oil. With excess capacity in virtually every branch of the industry on a world-wide basis and price competition prevalent both at the marketing and the producing levels, the shares of the major integrated oil companies have reached that stage in the minds of most investors where they have become known as "income situations."

G. D. Sutton

This is not quite the case in Canada. While the same basic conditions apply here as in the rest of the world in terms of surplus capacity—in crude production there is probably more surplus capacity than anywhere else—there are two major factors making the prospects for Canadian integrated companies somewhat brighter than those of the major U. S. firms.

The first of these is the higher rate of growth in demand for petroleum products, which in Canada is generally projected at about 4% per annum compared with 2½-3% in the United States. The second, and for the intermediate term the most important, is the establishment of a National Oil Policy early this year. The effect of the National Oil Policy should be not only to increase Canadian production of crude petroleum to a more reasonable relationship with producibility but also, by permitting a reduction in transportation tariffs over the Interprovincial Pipeline, to widen the margin of operating profit in marketing operations in central Canada where most of Canadian demand arises.

For those who are not familiar with the structure of the Canadian industry, it might be helpful to sketch in at this point the framework within which the National Oil Policy will operate. At the present time, Canadian crude oil is used almost exclusively in the refineries located in all provinces of Canada west of Quebec. The important Montreal refinery complex, however, and the smaller refinery centers in the Atlantic provinces are served entirely by imported crude, while there is a substantial movement of products from Montreal refineries into the Ontario market. In total, imported crude and products accounted for 56% of total Canadian consumption in 1960, while Canadian production of crude oil, including that produced for export to the United States, was equivalent to only 66% of Canadian consumption and less than 50% of producibility.

It was only natural that pressure should develop for the construction of a pipeline from the western oil fields to the Montreal market in order to partly correct this imbalance. This was opposed by the integrated companies as being uneconomic. As a compromise, the Government announced its National Oil Policy which, in effect, directed the industry to achieve a rate of production of crude oil and liquefied petroleum gases such that, by 1963, it would be 800,000 barrels per day, as large as if the Montreal refinery complex had been captured for Canadian crude, and 45% greater than output in 1960.

There are three means by which the industry can achieve this target: by cutting down the flow of products from Montreal to Ontario; by natural growth of demand in areas presently served by Canadian crude; and by increased exports, chiefly to the Pacific coast area of the United States.

Canadian Oil Companies Limited is the smallest of the major integrated companies in Canada and the only one not controlled externally. It will benefit from the National Oil Policy in certain respects which are not so obvious as the simple benefit of increased production that will accrue to such companies as Imperial Oil. It is perhaps for this reason that the shares have not reacted as favorably as those of other companies, and hence represent good value at the present price of 29. Briefly, the effect of the National Oil Policy on Canadian Oil Companies Limited may be summarized as follows:

Crude Production—The Company is not an important producer of crude oil. In 1960 its output amounted to only 3,900 barrels per day, or about 13% of its refinery requirements in that year. Giving consideration to the severity of pro-rationing in the fields in which the company has an interest, and to the expected increase in western production in 1961 within the framework of the National Oil Policy, it does not appear likely that Canadian Oil Companies' production in 1961 will be greater than 4,500 to 5,000 barrels per day. This would, however, make a moderate contribution to earnings.

Refining—This phase of Canadian Oil's operations should show considerable improvement in 1961. Of the integrated oil companies in Canada, Canadian Oil is the only one which does not have a refinery in Montreal. Its 50,000 barrels a day refinery at Sarnia, Ontario has surplus capacity to accommodate an additional 6,000 to 7,000 barrels a day on a bal-

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

This Week's Forum Participants and Their Selections

Piedmont Natural Gas Co., Inc.—H. L. McAllister, Chairman, Executive Committee, R. S. Dickson & Co., Inc., Charlotte, N. C. (Page 2)

Canadian Oil Companies, Limited—G. D. Sutton, Manager, Research Department, Nesbitt, Thomson & Company, Limited, Montreal, Canada. (Page 2)

The Changing Growth Mix

By Lionel D. Edie,* *Chairman, Lionel D. Edie & Co., Inc.*

New York investment counselor predicts moderate economic growth rate in some sectors of our economy and retardation in others, and a rapid growth acceleration roughly from 1964 on for the ensuing ten years. Dr. Edie's conclusions are based on his analysis of the changes in composition of population, consumer demand, production, industry and technology. He is skeptical as to what can be artifically done to stimulate the economy in the next two to three years, but waxes enthusiastic as to what natural forces will do to our growth rate after the mid-1960's. The writer discerns what he terms is a unique simultaneous relationship occurring between stagnation and explosion in our population and between different parts of our economy which provides a framework of reference for his prediction.

The subject of growth has been talked about almost *ad infinitum* in recent years, but most of the talk about it has been in general terms and in terms referring to the overall growth of the American economy. Relatively little of the discussion of growth has had to do with "The Changing Growth Mix."

Lionel D. Edie

In today's framework, I use the word, "mix," to refer to the component parts of the total economy and the word "change" to refer to the fact that the relationships between the parts and pieces of the total economy are changing. In the current period, they have been changing in extreme forms and I hope to bring out the manner and method of these extremes in the shifting of relationships between the parts and pieces of the total economy.

For this purpose I want to describe three forms of the growth mix—the changes in the consumer demand mix, the changes in the production mix, and the changes in the technological mix.

Changes in Consumer Demand

First, the changes in the consumer demand mix.

The ultimate consumer is a determining factor in American business and I need not expand or enlarge upon that proposition. However, the different classes of consumers from time to time are affected by things that are beyond their control, and in the current period a great cleavage has arisen between two types of consumers. These types can best be defined by age groups.

The first age group consists of heads of families and individual spending units that are in the age bracket of 18 to 24 years, and the second group consists of heads of families and individual spending units that are in the age bracket of 25 to 34 years. The relation between these two groups of consumers has undergone one of the most far-reaching revolutions recorded in the history of population and certainly the greatest revolution that has ever occurred in the lifetime of anybody here today.

This revolution between the two classes of population stems from things that happened a long time ago—the major depression of the '30s when for nearly a decade we had a very high average percentage of unemployment, and the great World War II which followed the major depression. Thanks to those two devastating developments in American history, the number of people born in this country underwent a very sharp decline in numbers and those people are now older; they are growing up; they are reaching into the 25 to 34 year age group that I have just mentioned.

After the war, the birth rate rose sharply. Persons born at that time are now entering the 18 to 24 year age group. This lower bracket is now in a rising trend and will continue in a rising trend at an accelerating rate over the next five years and even beyond.

The other age group, 25 to 34 years, represents the pepole that were born during the depression and World War II and they are now entering a period—in fact, they are already in the period—of a decline in numbers. This younger age group is increasing rapidly in numbers, and the older age group is actually diminishing in numbers. This sets up an unstable and unbalanced situation within the whole fabric of American business.

The people in the younger age group have relatively low income per spending unit, not because they are not just as good people as those older, but for the simple reason that they have not had a chance to establish themselves in business. They are relatively untrained and inexperienced; they are trying to get a toehold in life, and the average income per spending unit in this 18 to 24 year age group is in the range of \$3 to \$4 thousand a year. The difference between the top and bottom of that range involves certain technical and statistical matters which I need not go into here.

In the next age bracket, 25 to 34 years, the average income per family spending unit is not \$3 to \$4 thousand. It is \$5 to \$6 thousand a year. In other words, the spending power of the slightly older age group is roughly 50 to 60% higher per family unit than the spending power in the younger age group.

Where does this lead us?

Division in Consumer Spending

The sharp increase in the 18 to 24 year olds represents an increase in the people with relatively low incomes. The declining trend in the 25 to 34 year age

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OBSERVATIONS...

BY A. WILFRED MAY

SEGREGATION IN THE NORTH

The New York Stock Exchange's "warning system" (un-Radarified), has been pointing a nasty finger at the distaff side in the investment world. In recent cautioning against indiscriminate tipping, new-issue flying, and the like, Exchange officials have urged the exercise of particular restraint toward *women*.

Why clientele of the fair sex should be thus singled out is a bit beyond us!

No such segregation is practised by the Exchange on those doing the tipping and other selling under its own aegis (nor is any need therefor indicated). The Exchange has licensed with its member firms Registered Representatives at a total of no less than *611* of the fair sex. One of the larger New York houses employs 10 such female licensees (some of them helping out with other office work).

The New York Institute of Finance, the affiliate of the New York Stock Exchange, giving technical investment courses, has a 15-20% female attendance.

In the selling of the mid-Century bonanza of the true investor, the Mutual Fund, is the vast army of its peddlers, part-time and full-time, comprised by a goodly proportion of women.

In the individuals - investing areas it is, of course, impossible to measure the two sexes' comparative degrees of foolishness. But the arbitrary, if not doctrinaire, award of that booby prize to the distaff side is hard to justify. Moreover, if it be true, the ladies' 52% majority proportion of the nation's stockholder population would call for serious concern.

The women's important participation in the nation's 15,000-or-so popular Investment Clubs, estimated at 70,000 of a 180,000-total membership, likewise challenges the justification for singling them out for sucker-ility. While the Clubs partly constitute a gadget of the stock market boom, their ladies' conduct is no more speculative than is their co - member males; and certainly no more so than their non-member busbands, or other gentlemen getting their market guidance from their manicurist.

A Double-Standard

At least in some industries would appraisal seem to be actually more competently exercisable by women than men. This would include recent new stock offerings by Nelly Don, Inc., manufacturers and sellers of ladies' dresses; Helene Curtis Industries Inc., manufacturer of hair preparations and perfumes, and supplier of beauty products; Max Factor, distributor of beautifying products; Bobbie Brooks, seller of dresses, play clothes, skirts, and sweaters; and the 'fabulous" new issue, Charles of the Ritz, the fabulous cosmeticist whose Manna from Heaven was so eagerly gobbled up by a preponderance of male "investors."

Proposals for female representation on company boards of directors (as advanced by Wilma Soss) have been consistently opposed, as would be the criterion of race or color, for invoking an artificial double standard. Does not consistency and logic likewise call for also upholding the *single* standard in the investor area?

May we hope that our effectiveness matches the gallantry of this defense of the ladies?

* * *

TAX ANGLING

Here is a highly authoritative estimate of the outcome, including one time-table, of the pending Kennedy tax proposals.

Tax credit to business based on "above-normal" capital outlays: —*Dead.*

New tax on foreign assets:— *Dead.*

Withholding tax on dividends and interest:—*Off for one year.*

Repeal of dividend credit:—*a 50-50 chance.*

Expense account curb:—*a compromise in the offing.*

It appears that the expected enactment of some curb on the "tax spenders" got its big fillip from last week's testimony by tax expert J. S. Seidman to the effect that this will actually be beneficial to the affected theaters and restaurants in restoring to them the hitherto crowded-out nontax-deducting clientele.

TAX-SAVING AND "INDIAN-GIVING"

While we are in the tax area, we must state the serious long-term principle re-demonstrated by the highly publicized current incident of "a willful" heiress' refusal to turn over her $3.8 million trust fund to Princeton University. The fund, grown by capital additions and appreciation from its paltry $4,000 when irrevocably given to her in 1938 by her father, Shelby Cullom Davis, noted insurance stock specialist, he now wants to retrieve for donation to the University. Neglect to confirm with the daughter her willingness to transfer the contemplated gift last week entailed the young lady's leaving the invited donee representative "waiting at the church," President Goheen of Princeton and Harold H. Helm of the Chemical Bank New York Trust Company. And it now seems likely that their "waiting" will be permanent.

While the donor-father's "Indian-Giving" attempt, and the parent-child rift in this instance may be exceptional, the incident clearly demonstrates the danger in commitment to *irrevocability* for tax-saving purposes.

The provision of irrevocability (that is, really giving the money away) under the law entitles a trust-donor to supplant a high bracket estate tax with a materially lower gift tax, as well as the immediate advantage of the recipient's usual lower - bracketed tax on current income.

Under a trust embodying *revocability*, that is, leaving control uninterruptedly with the donor-father, the capital remains taxable at his death at the high estate tax rates, in lieu of gift tax. Moreover, the tax on current income is also still payable by *him*. Hence the revocable trust is becoming increasingly shunned as having little point. About its sole attraction is psychological; as in getting the non-professional beneficiary's "feet wet" in portfolio management.

More attractive is the *Revertible Trust*, which at the time of its creation must specify a definite term of existence—a minimum of 10 years in the case of an individual as beneficiary, and 2 years for a charity. Here the great advantage in contrast to the above-cited revocable arrangement, consists of the tax on current income being payable by your child or other lower bracketed testator (completely exempt in the case of a charity).

Thus, whatever technique you use to shell out your capital, tax saving on principal cannot be combined with "Indian Giving"; the statute does not let you eat your cake and have it too.

* * *

SPLIT PERSONALITY DEPARTMENT

In recent weeks this department has cited examples of publishers' assumed necessity to spoon-feed prospective readers of their books' serious investment material with jacket illustrations of Exchange trading scenes, ticker tape and the like.

Now we find on our desk the same technique applied to a most serious volume, *DISTRESSED AREAS IN A GROWING ECONOMY*, from the rarefied atmosphere of that august research organization, CED (Committee for Economic Development).

This 80-page tome delves into the distressed areas' problems and policies; the causes of industrial decline, past and future; unemployment problems and the need for vocational training. But — lo and behold — the volume's front cover actually includes a facsimile of a newspaper stock quotation table!

* * *

FROM OUR MAIL BOX

A REBUTTAL

Our remarks to which the following rebuttal from our correspondent Mr. Gaubis refers, held that indefinite coupling of his Cycle Timing method with other considerations constitutes an unsatisfactory "hedge"; and, as with other "technical" approaches, leads either to falling between-two-stools, or to success, via actual "playing-by-ear."

Dear Mr. May:

May I be permitted a rebuttal to your remarks in the June 1 issue of the *Chronicle* in connection with my letter on Timing Cycles as a factor which deserves consideration in any attempt to appraise the cyclical outlook?

In the first place, I think there is a great difference between "Timing" Studies and "technical" approaches to the problem of trying to anticipate turning points in the market cycle, as the former are not based on the theory that the action of the market itself can be counted upon to indicate an *impending* (or *retroactive*, as in the case of the Dow Theory) change in the cyclical trend. Secondly, and more important, I think that you are a little unfair in implying that any approach such as "Timing" is not worth taking seriously if anyone feels that it is wise to check its indications against those which may be drawn from studies of production in relation to consumption, changes in the supply of credit, etc. I believe that even a casual review of the record will show that the overoptimism of the vast majority of Wall Street professionals during periods as the summer of 1929, the spring of 1937, and the early months of 1946 — to name only a few outstanding instances—was due to a failure to check the conclusions drawn from a single currently popular approach.

I sincerely believe that anyone who does not want to risk being caught in the next 1929-1930, or 1937-1938 type of substantial (and prolonged) market setback has a much better chance of keeping his feet on the ground if he does not rely on any single approach to the study of the cycle, no matter how good its record in actual practice during the preceding two or three decades. (Parenthetically, I also believe it is desirable to avoid the other extreme of trying to follow 20 or 30 recently discovered "indicators.")

Yours,
ANTHONY GAUBIS

Anthony Gaubis & Co.,
Investment Counselors,
New York City
June 2, 1961

To Mr. Gaubis:

In March, 1929, the now famous *Warning* by Reserve Board Chairman Paul Warburg, based on credit factors, was thoroughly reasoned and logical — but followed by a further 29% extension (D. J. Average) of the booming stock market, until the cataclysmic Crash starting eight months later. The market followers who "correctly" interpreted the various indicators as bearish in 1928, repurchased stock at even higher prices in 1929, only to plunge through suicide windows post-Crash.

At the Fulbright investigation in March, 1955, the experts preponderantly testified that the economic, technical, and investment indicaters (including, among the latter, the out-of-gear bond-stock yield ratios) warranted a market decline. It has kept right on going up by an additional 67%.

We must conclude that neither the "technical" nor the economic indicators, whether used singly or combined, make market *timing* possible.—*A. W. M.*

P. S. Tunks With E. L. Burton Co.

SALT LAKE CITY, Utah — The establishment of a new department of trading and research under the direction of Phil S. Tunks has been announced by R. H. Burton, Executive Vice-President of Eaward L. Burton and Company, Salt Lake City.

Phillip S. Tunks

The new department will expand trading and research activities in Intermountain securities. In addition to an expanded list of firm markets greater emphasis will be given to recommendations for dealers.

Edward L. Burton and Company was established in 1899 and for many years was a primary market in sugar stocks. The firm provides an extensive municipal financial constulting service as well as primary underwriting and retailing of municipal bonds under the direction of J. Alma Burrows, President.

Mr. Tunks is currently President of the Utah Security Dealers Association, and has been associated with J. A. Hogle and Company for the past 10 years. He headed the trading and wire department prior to joining Edward L. Burton & Company.

The firm has also announced of the opening of new and enlarged offices for Edward L. Burton and Company. The new offices are located at 174 South Main Street and provide three times the previous floor space.

Forms K. Lawrence Co.

LOUISVILLE, Miss. — K. Lawrence and Company has been formed with offices at 513 South Columbus Avenue to conduct a securities business. Partners are William Kenneth Lawrence and B. G. Lawrence.

The State of TRADE and INDUSTRY

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

In its monthly review of business and economic conditions the First National City Bank of New York states that the marked increase in industrial activity during April and May has erased any lingering doubts that the economy is in a very encouraging rebound from recession lows. Improvement in business sentiment—stimulated by better sales and by some improvement in earnings—has been most noticeable in the stepped-up tempo of ordering, particularly for durable goods, and in a moderate increase in plans for capital investment later this year. Inventory liquidation by manufacturers was largely completed by the end of April. However, some stock cutting continues where shipments of finished goods have picked up more rapidly than output, or where production is using up materials faster than they are being delivered. When rebuilding of stocks begins, a further stimulus will be given to recovery.

The most dramatic upswing in business activity during April was in the industrial sector. Not only did new orders, production, and shipments rise, but, on a seasonally adjusted basis, more workers were employed in manufacturing and the factory work week was lengthened. The rise in industrial production, as measured by the Federal Reserve index, amounted to 2.5% in April with a further rise indicated for May. The recovery is on a broad base, encompassing all major industrial sectors. Rising output of steel and automobiles has attracted most widespread attention, but gains have extended into textiles, furniture, television, and industrial and farm equipment. It seems reasonable to figure that by now half the decline in industrial production has been made up.

How Far and How Fast

With this auspicious start, the natural question is how far and how fast the recovery will go. The fact that the recession was mild does not necessarily point to either a mild or a strong recovery, since history affords examples of both.

A new study by the National Bureau of Economic Research, *Business Cycle Indicators*, edited by Geoffrey H. Moore, offers systematic examination of past experience. One finding, not unnaturally, is that "recovery to the previous peak was attained in a much shorter time after the moderate contractions than after the severe ones." Since the recent decline ranked among the mildest in the last forty years, business statistics may begin setting new records before many more months have passed. Historically, periods of business expansion have ranged from 10 to 80 months with an average of 30 months. The National Bureau studies fail to show any systematic relationship between duration of contractions and duration of ensuing expansions. The key to prolonging an expansion period rests in balanced growth and avoidance of speculative excesses.

As often happens in the initial stages of recovery, some types of activity which spurted upwards early this year have found it difficult to maintain the pace. Housing starts, which had drifted lower throughout 1960 to an annual rate below one million units in December, rebounded to 1,317,000 in March but fell back 6% in April to a rate of 1,233,000.

After a two-month rise, retail sales figures, seasonally adjusted, sagged in April, perhaps because the data do not make adequate allowance for the early Easter. However, new passenger car sales continued to improve in April and May, as they have done since mid-February. In the first 20 days of May, deliveries trailed 1960 by 13%, compared with a year-to-year decline of 19% in the first four months.

Total employment rose one million in May, about as much as usual at this time of year. The number of unemployed declined by 194,000 to 4,768,000, but the 194,000 to 4,768,000, but the seasonally adjusted rate of unemployment, at 6.9% of the civilian labor force, remained around the same level recorded in the preceding five months.

Further confirmation of the improvement in business sentiment already developing in March and early April was provided by a McGraw-Hill survey of 1961 plant and equipment expenditure plans. Such outlays are expected to total $35.4 billion; while this is 1% below the 1960 level, it is a measurable improvement over earlier surveys which had indicated a 3% decline. About 70% of the expenditures—a larger share than usual—will be for modernization rather than expansion of capacity. Of course these plans are subject to change, depending on the strength of the business recovery and also on the outcome of the Administration's efforts to stimulate capital investment.

Bank Clearings for Week Ended June 3 Were 8% Above Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, June 3, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 8% above those of the corresponding week last year. Our preliminary totals stand at $25,298,426,410 against $23,415,614,150 for the same week in 1960. Our comparative summary for the leading money centers follows:

Week End. June 3—	1961 (000 Omitted)	1960 (000 Omitted)	%
New York	$13,896,673	$12,648,286	+ 9.9
Chicago	1,232,940	1,117,246	+10.4
Philadelphia	989,000	995,000	— 0.6
Boston	710,922	666,593	+ 6.7

Steel Companies Face Battle if They Boost Prices, Says "Iron Age"

Steel companies face an uphill battle if they decide to boost prices this year. And ultimately, the decision may be made in Washington — at least indirectly, says the *Iron Age*.

The metalworking magazine has learned that President Kennedy's economic advisers are making a study of steel prices to determine if price increases for steel can be justified.

Staff members of the Council of Economic Advisers told the *Iron Age*: "We're going to see what we can learn about justification for steel price increases which steelmakers claim they need."

Just how far the Council will go in studying steel prices is not yet determined. "Right now," staffers say, " it is not a full-scale investigation. The depth of the study will be determined by what is uncovered in early stages."

The President is expected to have the study in his hands by fall. The metalworking weekly points out this would be at about the time the steel industry wages go up by seven cents to 10 cents per hour.

The findings of the study could easily lead to Administration pressure on the steel industry to stave-off an increase. And based on past practice, Council economists can be expected to lean toward evidence against higher steel prices.

For one thing, they will rely, at least partially, on information gathered by Sen. Kefauver's Sen-

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

Further confusion appears in state and municipal bond circles as we approach the summer vacation period. Although June is usually a very active period for tax-exempt bond financing, general bond market circumstances seem less auspicious presently, for conveniently handling the business ahead than has been the case in recent late spring and early summer periods.

For example, a year ago the inventory situation was quite favorable as of this date. On June 9, 1960, the *Blue List* municipal bond total was as low as $274,634,450, as against the reported total of $451,044,000 on June 7, 1961. The price level was more generally favorable, too, with the *Commercial and Financial Chronicle's* high grade bond (20 years) yield Index at 3.415% a year ago as against yesterday's (June 7) average yield of 3.334%; up from 3.296% a week ago.

The new issue calendar, too, was less voluminous a year ago than seems likely to persist for at least the near future. We are presently pressing $500,000,000. While we went into the summer of 1960 with a well balanced technical situation and improving prices, we are this year approaching the summer market with an unfavorable technical balance and with the price structure generally deteriorating.

Tax-Exempts Still a Bargain

Relatively, tax-exempt bonds continue to offer most investors the best net return. With 20-year current coupon high grade state and municipal bonds yielding close to 3½%, those institutions subject to the corporate tax rate, or those individuals in the 50% bracket or higher, fare better in tax-exempts than in good grade taxable bonds. With high grade corporates yielding no more than 5%, it takes but little figuring to turn investors towards municipals. For this reason dealers, and particularly the dealer banks, have been reluctant to abruptly reduce their new issue bidding ideas.

As credit demands enlarge, the interest rate structure should gradually tend upward. This situation is already forming up. In New York the money market firmed perceptibly in the past week. The Treasury invited tenders for $1,100,000,000 of 91-day bills and $500,000,000 of 182-day bills and the average yield rates were higher than at any time since Feb. 28, 1961.

Futile and Dangerous

During the week the Federal Reserve was a substantial purchaser of 1 - 10 year issues in the open market, it is reported, but yields continue to increase as a more realistic price level seems destined to emerge, particularly for the longer term issues.

It becomes clearer almost daily that supporting the bond market through open market purchases cannot effect a stable market situation, let alone a higher market level. The monetary inflationary factors alone are enough to have startled Administration officials into concern over wage-price inflation. Unfortunately as we may further support the Treasury bond market, we may expect to come closer to some sort of wage-price controls.

Bidding Remains Aggressive

Considering the prevailing uneasiness in all phases of the bond market, the bidding for state and municipal issues this week has been relatively aggressive. As hinted at earlier, the technical position of our market is much less favorable than it has been for months and the various factors involved appear not likely to improve within the foreseeable future.

The one plus factor, however, is the relatively favorable price level that municipals enjoy against the field of debt securities. The dealer banks seem to have backed off less in their price ideas than the dealers generally. This seems partly due to their own investment needs and their closer association with the Federal Reserve and the consequent better feel of the credit situation generally. Moreover, the dealer banks have a greater capacity for inventory.

High "Victory" Price

With the street inventory situation as heavy as it is, and with new issue volume tending to be heavier, pricing should be realistic enough to move most of the new issues out of account within a brief period of time.

Moving out blocks of bonds, within hours of their purchase, at price cuts, reflects a very unhealthy dealer situation. Most of the dealers are figuratively starving in the midst of plenty indulging in this silly game of "follow the leader." At times it would seem that syndicate men fear missing one successful underwriting more than the purchase of a half-dozen "turkeys."

Recent Awards

During the past week a number of sizable issues came to market. On Thursday, June 1, the Sacramento Municipal Utility District, Calif., awarded $30,000,000 Upper American River Project revenue serial and term bonds to the account managed jointly by Blyth & Co. and The First Boston Corp., and including C. J. Devine & Co., Drexel & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., Stone & Webster Securities Corp., White, Weld & Co., and many others. The proceeds of this issue, the final portion of the $85,000,000 authorized by the voters of the district in 1955, will be used to complete the project, thus assuring the district, which encompasses a 650-square mile area located principally in Sacramento County, of continued low-cost power for its steadily growing population.

The $11,250,000 serial (1966-1980) bonds which were priced to yield from 2.50% to 3.50% were well received by investors and at present only about 20% of the bonds remain in account. The $18,750,000 term loan due in 1999 was reoffered to yield 3.825% with a 3¾% coupon. As the account members control all the term bonds, no accurate balance figure is available, but 40% investor placement would appear to be a reasonable approximation of the situation.

The account headed by Harriman Ripley & Co., Inc. and Smith, Barney & Co., was the successful bidder for $17,000,000 Monroe County Water Authority, New York, water revenue (1965-2001) bonds on June 1. The other majors were Goldman, Sachs & Co., B. J. Van Ingen & Co., R. W. Pressprich & Co., W. H. Morton & Co., and Paribas Corp. The reoffering was priced to yield from 2.40% to 3.90% for various coupons. Initial investor reception has been slow in generating, which is in part due to the substantial cover made by the winning group. At present a balance of $9,200,000 bonds remains in account.

Also Thursday, a week ago, the State Bond and Building Commission, La. awarded $14,000,000 serial (1962-1986) bonds to the account managed jointly by C. J. Devine & Co. and Ira Haupt & Co. Included among the major underwriters were Salomon Brothers & Hutzler, Hornblower & Weeks, Francis I. duPont & Co., Weeden & Co., and Goodbody & Co. These bonds, while not a general obligation of the State of Louisiana, are obligations of a state agency and are secured by specific taxes levied on beer under Act No. 8 of 1948 of the State of Louisiana. The bonds were priced to yield from 1.75% to 3.75%. It was reported that various funds of the State of Louisiana were substantial pur-

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.70%	3.55%
Connecticut (State)	3¾%	1980–1982	3.40%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.35%	3.20%
New York (State)	3%	1978–1979	3.30%	3.15%
Pennsylvania (State)	3⅜%	1974–1975	3.25%	3.10%
Vermont (State)	3⅛%	1978–1979	3.30%	3.15%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.40%	3.30%
Los Angeles, Calif.	3¾%	1978–1980	3.70%	3.55%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.35%	3.25%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.65%	3.50%
New York City, N. Y.	3%	1980	3.60%	3.55%

June 7, 1961 Index=3.3346%

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.

June 8 (Thursday)			
Albuquerque, New Mexico	4,753,000	1962-1981	10:00 a.m.
Albuquerque Mun. S. D., N. Mex.	3,750,000	1962-1966	10:00 a.m.
Cuyahoga Heights, Ohio	1,125,000	1962-1966	Noon
Howell Township Sch. Dist., N. J.	1,342,000	1962-1980	8:00 p.m.
Middle Township Sch. Dist., N. J.	1,050,000	1962-1982	8:00 p.m.
New York City, New York	60,400,000	1962-1986	11:00 a.m.
Pulaski County Special S. D., Ark.	1,000,000	1961-1974	2:00 p.m.
Santa Clara County, Calif.	20,000,000	1962-1986	11:00 a.m.
June 12 (Monday)			
Akron, Ohio	5,000,000	1962-1981	2:00 p.m.
Carlsbad Mun. S. D., N. Mex.	1,100,000	1962-1971	10:00 a.m.
San Francisco, Calif.	11,275,000	1962-1976	10:00 a.m.
June 13 (Tuesday)			
Connecticut (State of)	41,425,000	1962-1981	11:00 a.m.
Denton, Texas	5,200,000	1963-1990	10:30 a.m.
East Brunswick Tp. S. D., N. J.	1,918,000	1962-1978	8:00 p.m.
Fauguier County, Va.	1,000,000	1961-1980	Noon
Florida State Board of Education	6,025,000	1963-1982	10:00 a.m.
Huntington & Smithtown Unified School District 10, N. Y.	1,706,000	1962-1991	3:30 p.m.
Indianapolis, Indiana	10,000,000	1968-1987	11:00 a.m.
Kentucky (State of)	25,000,000	1963-1990	10:00 a.m.
Vancouver, Washington	1,500,000	1962-1979	7:30 p.m.
June 14 (Wednesday)			
Arlington County, Va.	2,847,000	1962-1981	Noon
Brookhaven U. F. S. D. 24, N. Y.	1,665,000	1962-1981	2:00 p.m.
California (State of)	3,000,000	1966-1986	10:00 a.m.
Harford County, Maryland	4,000,000	1963-1986	11:00 a.m.
Oxnard, California	2,500,000	1991	11:00 a.m.
Springfield, Massachusetts	6,000,000	1962-1981	11:00 a.m.
Willoughby-Eastlake S. D., Ohio	1,200,000	1962-1976	Noon
June 15 (Thursday)			
Honolulu City & County, Hawaii	3,000,000	1972-1991	9:00 a.m.
Lake Charles Har. & Ter. Dist., La.	7,000,000	1962-1991	10:00 a.m.
Metropolitan St. Louis S. D., Mo.	3,250,000	1962-1981	11:00 a.m.
Metropolitan Seattle, Wash.	20,000,000	1964-2000	11:00 a.m.
Philadelphia, Pa.	24,957,000	1962-1991	Noon
June 16 (Friday)			
Colorado State University	1,867,000	1964-2001	2:00 p.m.
Greenwood, Miss.	1,600,000	1964-1983	10:00 a.m.
June 17 (Saturday)			
Hamilton County, Tennessee	5,000,000	1962-1981	1:00 p.m.
June 19 (Monday)			
Columbus, Ga.	3,000,000	1961-1990	2:30 p.m.
Union Co. Regional H. S. D. 1, N. J.	1,500,000	1962-1990	8:00 p.m.
June 20 (Tuesday)			
Cudahy, Wisconsin	1,285,000	1963-1981	7:30 p.m.
Farmington Sch. Dist., Mich.	1,500,000	--------	--------
Fullerton, Calif.	1,000,000	1962-1981	7:30 p.m.
Greenburgh Unified S. D. 6, N. Y.	1,440,000	1962-1990	11:00 a.m.
Hamilton County, Ohio	1,460,000	1962-1981	Noon
Islip Unified S. D. 9, N. Y.	1,040,000	1962-1990	11:00 a.m.
Nashville, Tenn.	4,000,000	1963-1990	7:30 p.m.
Norfolk, Va.	7,000,000	--------	--------
Pittsburgh, Pa.	5,220,000	1962-1981	11:00 a.m.
South San Francisco U.S.D., Calif.	1,325,000	--------	--------
June 21 (Wednesday)			
Babylon Unified Sch. Dist. 3, N. Y.	4,577,000	1962-1990	2:00 p.m.
Dorchester County, Md.	1,000,000	1968-1986	Noon
Kent State University, Ohio	3,500,000	1963-2000	11:00 a.m.
Kettering City School Dist., Ohio	2,400,000	1962-1985	Noon
Presbyterian-St. Luke's Hosp., Ill.	1,000,000	1963-2000	5:00 p.m.
Roanoke, Virginia	2,600,000	1962-1981	Noon
June 22 (Thursday)			
Loudoun County, Va.	2,000,000	1962-1981	Noon
Texas (State of)	25,000,000	1936-1991	10:00 a.m.
Warren, Ohio	2,850,000	1967-1999	11:30 a.m.
June 23 (Friday)			
Bexar County, Texas	2,200,000	1962-1979	10:30 a.m.
Delaware (State of)	10,630,000	1962-1981	11:00 a.m.
June 27 (Tuesday)			
Marshfield, Wisconsin	2,000,000	1963-1987	2:00 p.m.
Newport, Ky.	3,000,000	1963-1992	10:00 a.m.
San Diego, Calif.	42,500,000	1967-2001	10:00 a.m.
Scottsdale, Ariz.	1,400,000	1961-1985	7:00 p.m.
June 28 (Wednesday)			
Columbia Hgts. Ind. S. D. 13, Minn.	1,100,000	--------	--------
Harris County, Texas	27,000,000	--------	--------
Harris Co. Flood Control D., Tex.	2,500,000	--------	--------
Maryland State Roads Comm., Md.	15,000,000	1962-1976	11:00 a.m.
Tennessee Valley Auth., Tenn.	50,000,000	--------	--------
June 29 (Thursday)			
Altoona Sch. Dist., Pa.	1,000,000	1962-1986	7:30 p.m.
El Paso, Texas	2,520,000	1962-1985	9:30 a.m.
July 6 (Thursday)			
Jackson U. S. D., Mich.	4,300,000	--------	7:30 p.m.
July 10 (Monday)			
Port of Portland, Ore.	1,500,000	1962-1981	10:00 a.m.
July 11 (Tuesday)			
Corpus Christi, Texas	2,400,000	--------	--------
Long Beach Unified S. D., Calif.	1,000,000	1962-1981	9:00 a.m.
Los Angeles City Fire Dept., Calif.	3,000,000	--------	--------
Los Angeles, Calif.	18,800,000	--------	--------
Memphis, Tenn.	13,500,000	1962-1991	2:30 p.m.
July 12 (Wednesday)			
Sacramento-Yolo Port Dist., Calif.	7,000,000	--------	--------

Tax-Exempt Bond Market

Continued from page 6

chasers of the long bonds. The present balance is reported as $5,383,000.

Week's Largest Award

The week's largest issue, $32,000,000 State of Ohio, Major Thoroughfare Construction revenue (1962-1972) bonds, came to market on Tuesday, June 6. The syndicate headed by Lehman Brothers and Halsey, Stuart & Co., Inc., and including Glore, Forgan & Co., Paribas Corp., and many others won the issue. The issue which was scaled to yield from 1.50% to 3.15% is presently less than half sold.

Nassau County, N. Y., sought bids on June 6, for $19,731,000 various purpose general obligation bonds due 1962-1990. The account managed by The Chase Manhattan Bank and including the Bankers Trust Co., Blyth & Co., Inc., Smith, Barney & Co., the Chemical Bank New York Trust Co., and others was the high bidder for the issue. The bonds were reoffered to yield 1.70% to 3.80%, with a 3.60% coupon. Investor reception was fairly good and about $12,000,000 of the bonds were presently out of account.

Also on Tuesday, Milwaukee, Wisc., awarded $10,000,000 Waterworks mortgage revenue (1962-1990) bonds to the group managed jointly by Halsey, Stuart & Co., Inc., Lehman Brothers, Smith, Barney & Co., and Eastman Dillon, Union Securities & Co. Included as majors were Kidder, Peabody & Co., Stone & Webster Securities Corp., Blair & Co., Inc., Bear, Stearns & Co., and Hornblower & Weeks. The issue was reoffered to yield 1.50% to 3.70%. Investor interest to date has been excellent and less than 10% of the bonds remain in account.

On Wednesday, June 7, $9,000,000 Madison Metropolitan Sewerage District, Wisc. (1963-1980) bonds were awarded to the account managed jointly by the Continental Illinois National Bank and Trust Co. of Chicago, The First National City Bank of New York, and The Chase Manhattan Bank. This high grade issue was scaled to yield from 1.80% to 3.35%. After the initial order period, about $3,770,000 of the bonds were reported sold.

Toll Booths Active

Toll road revenues are showing nice increases over a year ago as we go into the summer. The first of the May reports indicates that the Illinois State Toll Highway increased revenues by 18% over May a year ago. Thus far this year, revenues are up almost 25% against 1960. Among other toll roads showing good progress are, Florida, Kansas, Richmond-Petersburg, Texas, Greater New Orleans and Jacksonville Expressway. The *Smith, Barney & Co.* Turnpike Bond Index is little changed since the last report. The yield Index was 3.73% on June 1. The week before it was at 3.72%. If averaged today (June 7), the yield would be a little higher.

We expect that state and municipal bond prices will be easier in the weeks ahead. Until new issues are priced for quick sell-out, and inventories are substantially reduced, a buyer's market will undoubtedly prevail.

In Securities Business

CHICAGO, Ill. — The Alexander Hamilton Investment Co., Inc. is engaging in a securities business from offices at 53 West Jackson Boulevard. Officers are Joseph A. Lauren, President; Donald A. Smith, Vice-President; and F. L. Lauren, Secretary.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The Administration's farm bill has laid an egg with the House Agriculture Committee and drastic revisions are being discussed on both sides of the party aisle.

Secretary of Agriculture Freeman was not able to sell the bill which gave him nearly dictatorial powers over farming in the United States, and now the real work of hammering out an acceptable plan begins.

Objections have been raised to several points of the Kennedy-Freeman bill and the general revisions suggested will leave the farm situation, legislatively, at nearly the same point it is today. The House last year defeated a bill which contained many of the same plans contained in the Kennedy bill.

Changes indicated are:

Congress will keep its right to amend farm legislation which the Kennedy bill would have removed.

Instead of having Congress reject farm plans within 60 days of their transmission by the Secretary, the legislation will probably require Congressional approval. This will prevent the withholding of the legislation from Congress by the leadership. If the Administration wants a bill, Congress must work its will on the Congress.

The selection process for advisory committees to draw up farm programs will be changed. Instead of Freeman setting the qualifications, more democratic processes will be outlined.

Freeman's stampede wheat bill which would have gone directly from the Secretary to a vote of wheat growers without a Congressional review, is out. Congress will enact a temporary one-year wheat plan which probably will involve a cut below the 55 million acres of national production, with increases in price supports up to 80 or 90% of parity.

No national marketing orders will be required to cover regional or smaller areas.

The Secretary to date is winning his fight to have every farm commodity included under the bill. However, cattlemen and other groups are registering strong protests over being included in the bill, and some deletions could be made.

In other farm legislation, the outlook for a sugar bill is dim. Hearings will be held in June, and it appears that the no-quota system for beet growers will be retained for another year. Cuba's quota will be canceled, but the extra production will be parceled out among foreign producers.

The Wool Act, the School Milk Act and the Great Plains program will be extended. In general, the farm laws now in effect for special commodities will be renewed without substantial change.

* * *

Congressman Carroll D. Kearns of Pennsylvania, is responsible for one of the most laughable quotes of the week. He says: "Wags are circulating around Washington the story that Kennedy is going to demand a recount in the hope that Nixon will win."

Another one is that the national debt will reach the moon before the missile does.

* * *

President Kennedy's "affirmative anti-recession program" does not seem to have had anything to do with the recovery that is taking place. The actual start of recovery, according to many economists, was the middle of March. By that time only a few million of dollars had been put into circulation by the Administration.

Robinson-Humphrey Names Officials

ATLANTA, Ga. — The Robinson-Humphrey Company, Inc., Rhodes-Haverty Building, have announced that Lex Jolley, Vice-President of

Lex Jolley

Joseph L. Morris

the firm, has been appointed head of the municipal bond department. Joseph L. Morris, also Vice-President, and formerly head of the municipal bond department will serve as consultant on municipal financing.

The Robinson-Humphrey Company, established in 1894, acts as underwriter and distributor of Southern municipal bonds, as well as dealing in general market issues.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Banks—Five year comparison of certain Chicago, New York City and Western Banks—The Illinois Co., Inc., 231 South La Salle St., Chicago 4, Ill.

Canada and the United States—Neighbors in Democracy—A study of the similarities and differences in the democratic governments of Canada and the United States—Distillers Corporation-Seagrams Limited, 1430 Peel St., Montreal, Que., Canada.

Canadian Wheat Exports—Review—Bank of Montreal, P. O. Box 6002, Montreal, 3, Que., Canada.

Capital Goods Stocks—Bulletin—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y.

Chemical Industry—Review with particular reference to **Rohm and Haas, Olin Corporation, Monsanto Chemical, Union Carbide,** and **Hooker Chemical**—Bache & Co., 36 Wall St., New York 5, N. Y.

Chemical Stocks — Review — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Electronics—Survey—Globus Inc., 660 Madison Ave., New York 21, N. Y.

Fire Casualty Insurance Stocks — Comparison and analysis of leading stocks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Foreign Exchange Quotations — Folder listing 183 foreign exchange rates, with decimal equivalents of shillings and pence —International Department, Manufacturers Trust Co., 44 Wall St., New York 15, N. Y.

Japanese Market—Review—Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available is a special report on **Citizen Watch Co. Ltd.**

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Hitachi Machinery Co. Ltd.** and **Nakagawa Electric 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.**

New York School Districts—Study —Roosevelt & Cross, Incorporated, 40 Wall St., New York 5, N. Y.

Oil Companies—Analysis of first quarter earnings — Carl H. Pforzheimer & Co., 25 Broad St., New York 4, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

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

Puerto Rican Securities — Quarterly report to investors—Government Development Bank for Puerto Rico, San Juan, P. R.

Science Stocks — Discussion — Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

Small Business Investment Companies—Review—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y. Also available is an analysis of **Venture Capital Corporation of America.**

Small Loan Companies—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y.

Tax Sheltered Investments in Oil and Gas—Data — Admiral Oils, Inc., 600A Bettes Building, Oklahoma City 6, Okla.

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Adson Industries—Analysis—J. R. Williston & Beane, 2 Broadway New York 4, N. Y.

Amerada Petroleum Corp. — Memorandum — E. F. Hutton & Co., 61 Broadway, New York 6, N. Y. Also available are memoranda on **Canadian Breweries Ltd.** and **Simmons Co.**

American Hoist & Derrick Co.—Memorandum — Piper, Jaffray & Hopwood, 115 South Seventh St., Minneapolis 2, Minn.

American Viscose — Disussion — Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also available is a discussion of **F. W. Woolworth.**

Atlantic Refining — Review — Hirsch & Co., 25 Broad St., New York 4, N. Y. Also available are reviews of **American Natural Gas** and **Piper Aircraft.**

Baldwin Lima Hamilton—Memorandum — Pershing & Co., 120 Broadway, New York 5, N. Y.

Bayuk Cigars — Memorandum — Joseph D. Goodman & Co., 1526 Chestnut St., Philadelphia 2, Pa. Also available is a memorandum on **R. C. A.**

Bell Telephone Co. of Canada—Memorandum—Andras, Hatch & McCarthy, 320 Bay St., Toronto 1, Ont., Canada.

Benrus Watch Company—Report —Schweickart & Co., 29 Broadway, New York 6, N. Y.

Brazilian Traction Light and Power Co., Ltd. — Report — John H. Lewis & Co., 63 Wall Street, New York 5, N. Y. Also available is a tabulation of the cyclical status of 40 stock groups.

Brush Beryllium—Analysis—Ball, Burge & Kraus, Union Commerce Building, Cleveland 14, Ohio. Also available is an analysis of **Telex Incorporated.**

Canada Steamship Lines, Ltd. — Analysis — Greenshields & Co (N. Y.) Inc, 64 Wall St., New York 5, N. Y.

Canadian Pacific Railway—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available are surveys of **Cerro Corp.** and **Federal Paper Board.**

Caterpillar Tractor — Survey — Robert W. Baird & Co., 110 East Wisconsin Ave., Milwaukee 1, Wis. Also available are data on **First Wisconsin Bankshares Corp.** and **Goodyear Tire & Rubber.**

Celanese Corporation of America — Report — Ira Haupt & Co., 11 Broadway, New York 6, N. Y.

Celanese Corp. of America—Review — Fahnestock & Co., 65 Broadway, New York 4, N. Y. Also available is a review of **National Steel Corp.**

Celanese Corporation of America — Analysis — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Central Transformer Corporation —Bulletin—Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa. Also available is a memorandum on **Bishop & Babcock Manufacturing Co.**

Cetron Electronics—Memorandum — McRae Securities Corp., 444 Seventeenth St., Denver 2, Colo.

Colgate Palmolive Co. — Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available are memoranda on **Horn & Hardart, Napco Industries,** and **Carlisle Corp.**

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

Consolidation Coal Company — Analysis—Hornblower & Weeks, 40 Wall St., New York 5, N. Y. Also available are data on **Chemetron, Metal & Thermit, Colgate-Palmolive, R. J. Reynolds Tobacco, Arkansas Louisiana Gas, Rohr Aircraft** and **Link-Belt.**

Delhi Taylor Oil Corporation — Analysis—Schirmer, Atherton & Co., 50 Congress St., Boston 3, Mass. Also available are data on **International Paper Co., Lynch Communications Systems, Inc., Keyes Fibre Company** and **Campbell Chibougamau Mines.**

DIT-MCO Inc. — Memorandum — Midland Securities Co., 15 West 10th St., Kansas City 5, Mo.

Electronic Components — Memorandum—Hannaford & Talbot, 519 California St., San Francisco 4, Calif.

Evans Rule — Memorandum — Theodore Arrin & Co., Inc., 82 Beaver St., New York 5, N. Y.

Exquisite Form Brassiere (Canada), Ltd.—Memorandum—Cowen & Co., 45 Wall St., New York 5, N. Y.

Freuhauf Trailer — Review — Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y. Also available are reviews of **Pacific Industries, Rayonier, Inc.,** and **Robinson Technical Products, Inc.,** and a stock market analysis.

M. A. Hanna Company—Analysis —Evans & Co., Incorporated, 300 Park Avenue, New York 22, N. Y. Also available is an analysis of **Royal Dutch Petroleum Company.**

Hudson Pulp & Paper — Data — Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa. Also available are data on **First National Stores** and **Shop Rite Foods.**

International Minerals & Chemicals—Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y.

International Telephone and Telegraph Corporation — Report — Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y. Also available is a report on **E. J. Korvette, Inc.**

Earle M. Jorgensen — Memorandum—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

Kawecki Chmical—Memorandum — Batchker, Eaton & Co., 120 Broadway, New York 5, N. Y.

Kendall Co. — Memorandum — Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Kentucky Utilities Co. — Memorandum—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available are memoranda on **Levitt & Sons Inc.** and **Taylor Instrument Companies.**

Lake Arrowhead Development — Memorandum—Sutro & Co., 460 Montgomery St., San Francisco 4, Calif.

Life & Casualty Insurance Co. of Tennessee—Memorandum—Equitable Securities Corporation, 322 Union St., Nashville 3, Tenn. Also available are memoranda on **Mississippi Shipping** and **National Life & Accident Insurance.**

Lithium Corporation of America, Inc.—Report—John H. Kaplan & Co., 120 Broadway, New York 5, N. Y.

Magnavox Company—Analysis—Droulia & Co., 25 Broad St., New York 4, N. Y.

Masco Screw Products—Report—Orvis Brothers & Co., 15 Broad St., New York 5, N. Y. Also available are a bulletin on **Special Situations for Growth** and a memorandum on **Harris Intertype.**

McCormick Armstrong Co. — Memorandum—Milburn, Cochran & Co., 110 East First Str., Wichita 2, Kan.

McLouth Steel Corp.—Memorandum—R. W. Pressprich & Co., 48 Wall St., New York 5, N. Y. Also available is a memorandum on **Standard Oil Co. (California).**

National Cash Register Company — Analysis — Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y.

Nortex Oil & Gas Corp.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Northern Telephone Limited — Review — Royal Securities Corporation Ltd., 244 St. James St., West, Montreal 1, Que., Canada. Also available is a review of **Federal Grain Limited.**

Pauley Petroleum—Memorandum —Shields & Co., 44 Wall St., New York 5, N. Y.

Penn Fruit Co., Inc.—Bulletin—John Lamula Investors, Inc., 130 William St., New York 38, N. Y.

Polarad Electronics Corp. — Analysis — B. C. Christopher & Co., 4722 Broadway, Kansas City, Mo. Also available are analyses of **St. Regis Paper, United Aircraft Corporation,** and the **Market Prospects.**

Quinta Corporation — Report — Swarthout & Kemmerer, Inc., 165 Broadway, New York 6, N. Y.

R. C. A.—Discussion of current status — Sutro Bros. & Co., 80 Pine St., New York 5, N. Y. Also available is a discussion of **Ingersoll Rand.**

Radio Shack Corp.—Memorandum —Hess, Grant & Remington, Inc., 123 South Broad St., Philadelphia 9, Pa.

Republic Steel—Memorandum—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also available is a memorandum on **Commercial Solvents.**

Standard Oil Co. (Indiana)—Review—H. Hentz & Co., 72 Wall St., New York 5, N. Y.

Standard Oil Co. (New Jersey) —Report—E. F. Hutton & Co., 7616 Girard Ave., La Jolla, Calif. Also available is a report on **West Virginia Pulp & Paper.**

Super Market Distributors — Memorandum — Clayton Securities Corporation, 79 Milk Street, Boston 9, Mass.

Swift & Co.—Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Swift & Co.—Analysis—Weingarten & Co., 551 Fifth Ave., New York 17, N. Y.

United Shoe Machinery—Analysis—J. A. Hogle & Co., 40 Wall St., New York 5, N. Y.

U. S. Industries—Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill.

Universal Electronics Laboratories Corp.—Report—Underhill Securities Corp., 19 Rector Street, New York 6, N. Y.

F. W. Woolworth — Report — Walston & Co., Inc., 74 Wall St., New York 5, N. Y.

Chicago Analysts Receive Slate

CHICAGO, Ill. — The Committee on Nominations of the Investment Analysts Society of Chicago has presented the following nominations for 1961-1962 Officers:

President: Lang Elliott, Stein Roe and Farnham.

Vice-President: William A. Stenson, Northern Trust Company.

Secretary: Stanley A. Winter, A. G. Becker and Company, Inc.

Treasurer: Frederick J. Foersterling, Chicago Title and Trust Company.

Board of Governors:

Terms expiring 1964 (three year term): Hartman L. Butler, Jr., Duff, Anderson and Clark; William S. Gray, Harris Trust and Savings Bank; and Waid R. Vanderpoel, First National Bank of Chicago.

Terms expiring 1962 (one year term): replacing the unexpired terms of Clarence E. Torrey, Jr. (resigned) and William A. Stenson (nominee for Vice-President), Richard C. Barbour, Allstate Insurance Company; and Thomas N. Mathers, Mathers & Company.

Elections will be held June 15th.

Members of the Committee on Nominations were: Hartman L. Butler, Jr., Russell J. Eddy, Neil E. Heikes, J. Franklin Bickmore, Harlan F. Eicher.

Customers Brokers Quarterly Meeting

The Association of Customers Brokers will hold their quarterly business meeting and dinner June 21 at Reuben's Restaurant, 6 East 58th Street, New York City. The business meeting will begin promptly at 4:45, to be followed by cocktails, and dinner at 6:45 p.m. Tickets for the dinner are $6.50 per person. Reservations should be made before June 16 with Albert F. Frank, Landenburg, Thalmann & Co.

New Greene & Ladd Branch

RICHMOND, Ind. — Greene & Ladd have opened a branch office in the Leland Hotel, under the direction of Carl F. Bargmann.

New Life Insurance Trends

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

Containing some random comment on the growth in life insurance, the newer kinds of policies now available, and certain stock companies in a position to benefit from them.

If life insurance stocks were listed they would doubtless prove as popular market favorites today as electronics. But because they trade less actively over-the-counter, life shares do not get anywhere near the attention that their profitability and growth rates would suggest. Life insurance sales more than doubled in the 1950 decade and today Americans own $586,448,000 in life protection. The amount of insurance per family has been steadily rising and today the average family policy totals $10,200. By, or before 1970 life insurance will be America's first trillion dollar industry.

While more than two-thirds life insurance is written by the mutual companies, there are over 1,000 stock companies. Many of these are closely held family corporations, but there remain over 600 with stock available for public purchase. Life insurance companies are notorious for the meager cash dividends they pay; but they have made up for it by plowing back and reinvesting earnings, and the delivery of frequent stock dividends. Life shares have made fortunes for prudent and patient holders. Between Jan. 1, 1947 and Dec. 31, 1959 Aetna Life, Connecticut General, Jefferson Standard, Lincoln National, Travelers Life, Franklin Life and Continental Assurance shares showed an average increase in market value of over 1,100%.

This is indeed an exciting record and no doubt many similar opportunities for gain in life shares in the 1960 decade exist right now, if we are only fortunate, or shrewd enough to locate them.

Variety of Policies

About policies, there have been dozens of new ones in recent years. Whereas for decades industrial, ordinary life, 20 payment, 20 year endowment and single payment annuities were the main items, there is, today, a broad array of coverage and policies at your disposal. If over 70% of our population now has some form of life coverage, it's partly because companies accept risks they would have turned down years ago; and because they provide policies better tailored to individual and family needs.

For example—people over 60, people who had suffered serious illnesses, people in more hazardous occupations, were for many years regarded as uninsurable, or insurable only if "rated up" — that is if they paid a premium normally charged a person several years older. Today, about the only exclusions would be high-wire acrobats, test pilots on advanced aircraft, and possibly moon-bound astronauts. At any rate 97 out of every 100 applicants are now accepted.

The newer policies are eagerly accepted. Time was if you had a bank or personal finance company loan, if you died, your estate would have to pay it. Now credit insurance is wide spread and most personal loans are now written with term life insurance covering unpaid balances. In this field of credit life Old Republic Life of Chicago has been a specialist. A newer company, Federal Bankers Life of Richmond (Va.) under the presidency of Mr. T. Coleman Andrews (formerly Commissioner of Internal Revenue) is moving rapidly forward in this field.

Thirty years ago the family income plan was introduced which customarily added a certain amount of term insurance to a whole life policy, and permitted correspondingly enlarged payments to beneficiaries for, usually, 20 years. This idea is now expanded and we have the "family plan" whereby the husband, for example, is insured for $5,000 and his wife and kids for $1,000 each. The coverage on Papa continues, but each child drops out at 21, although he or she is then able to convert the $1,000 coverage into an individual policy without a medical exam.

A somewhat similar policy is the accordion type or jumping juvenile. Here a permanent insurance policy is written anytime between birth and age 14, which expands to five times its original coverage at age 21, with the annual premium unchanged.

Many people, even though they have some insurance coverage, are apprehensive lest, by the time they need or can afford more, they might be uninsurable. For such there are a number of new policies which, when taken out, provide "insured insurability" on an additional amount any time over ensuing period of years, or until a certain attained age.

To provide basic life insurance protection at the lowest net cost per $1,000 there are a variety of term policies, convertible and otherwise. A whole new series of ordinary life policies have recently been designed with high cash and loan values from the very first year. These permit borrowing, immediately, the maximum value and applying it to the premium next due, creating as a result a low net cost, with the loan interest income tax-deductible.

There are also now available quantity discounts. That is, if you buy a $50,000 policy the rate may be a couple of dollars a thousand less than for a $5,000 policy. Moreover, women, for some inexplicable reason, used to pay higher premiums at the same age. Now they pay lower rates, in belated recognition of the fact that women, on the average, now live four years longer than men.

Specialized Companies

There are a lot of companies that specialize in certain risks. For instance, Government Employees Life has concentrated on civil servants. Philadelphia Life has an attractive new policy for insuring college students. Postal Life majors in selling by mail. Continental Fidelity Life of Phoenix, Arizona, sells by mail to parents of military inductees. Federal Life and Casualty, now controlled by Channing Corp., is selling life insurance by adding it to the product line of a mutual fund sales organization. Similarly Citizens Life of N. Y. now has a sales tie-in with Keystone Custodian Fund.

As a matter of fact, mutual funds have seemed to be competing rather heavily with insurance companies in their distribution of investment type policies. This situation caused Prudential Life to lead off in a campaign for variable annuities, whereby part of the annuity income would not be guaranteed, but depend on the cash flow from a portfolio of selected common stocks. This variable annuity is a most controversial thing in the industry, with the biggest company, Metropolitan, solidly against the whole idea. Meanwhile a young company, Variable Annuity Life Insurance Co. of Washington, D. C., is doing its best to popularize and sell this new flexible income contract.

Another development we should touch upon is the agents' insurance company. Many men in the industry sell so much insurance that their cash commissions place them in an agonizing tax bracket. So they've hit upon the idea of joining together in the formation of their own company, where they can place their business and profit from the rising equity and market value of shares on a long-term (25%) capital gain basis. Such an organization is Reinvestment Insurance, listed American Stock Exchange, which holds a major interest in Loyal American Life, which in turn controls Hamilton Life.

Finally, we ought to cite the fabulous growth in group life (over $176 billion in force) in which field Connecticut General has been a stellar performer.

Complete Coverage

Among reinsurers are Republic Life of Dallas, and Lincoln National. And there's a very pronounced trend toward verticality —the sale of life, fire and automobile coverage under one corporate roof. Traveler's calls it an umbrella, and All State does this under the Sears Roebuck aegis. Up and coming is American Heritage which is expanding into non-life insurance and develops a lot of prospects from booths in supermarkets.

We couldn't begin to cite all the current styles in life insurance, but we did want to re-emphasize the remarkable growth factor, abetted by attractive new merchandise lines. Certain of the life insurance companies mentioned here bid fair to be rewarding performers, even though they bask not in the Dow-Jones spotlight.

Named Director

Elmer E. Myers, Vice-President of Sandkuhl & Co., Inc., Newark, N. J., underwriters and distributors, was elected a Director of Automation Laboratories, Inc., Westbury, L. I. at the company's annual meeting held in Mineola, L. I.

Elmer E. Myers

Forms Bittar Securities

BROOKLYN, N. Y.—Bittar Securities, Inc. has been formed with offices at 259 Eighty-sixth Street to engage in a securities business. Anthony A. Bittar is President. He was formerly with Filor, Bullard & Smyth.

Valuing Closely Held Stocks

By C. J. Schwingle, President, The American Appraisal Company, Milwaukee, Wis.*

For the trust officer and others mastering the intricacies of capital stock valuation where market value is not determinable and/or representative can be a difficult and complex task. An experienced appraiser explains the key determinants of value for the numerous instances where market value is not consonant of true value and where book value may not represent either market value or true value. Some of the key valuation determinants discussed are the firm's: economic health, capital structure, hidden assets, investment portfolio, value of shares for comparable companies, minority and majority stock, tax situation, and restrictions surrounding its stock.

The problems of valuating closely held corporate stocks is an especially appropriate topic for study and discussion by bankers and trust officers. This is so because of the frequency with which they become involved in cases in which setting the value for closely held shares is important. The instances in which customers need supportable values for their closely held shares are many and varied. In settling estates and in determining the basis for estate and gift taxes, for example, it is obviously to the taxpayer's advantage to have an independent valuation of the closely held shares. Similarly, in estate planning and in the creation of trusts, it is frequently vital to have knowledge of the value of closely held shares customers own in order to anticipate the level of estate and inheritance taxation. Appraisals of closely held stocks are also used in setting bid and ask prices in sales transactions and in setting the basis for stock option plans. In cases of mergers of corporations, when the transaction involves stock transfer, an evaluation of the separate equities to be exchanged becomes critical so that exchange ratios can be determined.


C. J. Schwingle

Most Corporations Are Not Public

The number of closely held corporations for which accurate valuations are important is staggering. For roughly 470,000 of the nearly 500,000 corporations involved in industry and commerce in the United States, there is no public market in which their equities are traded. And among the 30,000 corporations which are traded publicly, only a few thousand stocks are traded with enough frequency to indicate their value.

Stocks Sold Not at True Value

Among the traded stocks quoted, market prices may not be representative of true value. The number of shares traded might be relatively small and transactions might be short range speculative purchases unrelated to earnings capacity or future health of the company. In another instance, the sudden entry of a large block of stock on the market might suddenly depress prices below normal levels. The courts have recognized that quoted prices may not represent fair market value for estate and gift tax purposes. In *Strong v. Rogers*, for example, the value for a given stock as finally determined was but 40% of the New York Stock Exchange price. In this case, the court recognized the distortions induced by an abnormally high market generated by speculation. The courts have also held that blockage—the effect of sudden dumping of large volumes of shares—can easily depress prices below fair market levels. The courts recoignized the effects of blockage in *Thomas A. Standish v. U. S.*, a 1947 decision.

Book Values Do Not Represent Market or Actual Value

Just as quoted market prices frequently do not represent actual values, so book values are seldom reflective of either market prices or actual value. The February, 1955, issue of *The Exchange*, published by the New York Stock Exchange, contained a summary of a study of the relationship of 1,053 common stock prices to book value. Of the 1,053 issues, none were selling at book value; 42% were selling above book value; and 58% were selling below book value. Armour & Co. was selling at 32% of book value, whereas I. B. M. was at 688% of book value.

The effects of blockage and speculation, as well as the weaknesses of using market prices and book value as the basis for valuing closely held shares suggest that no simple formula is available. Because of this, the stockholder—or in estate and gift tax cases, the taxpayer—can suffer significant losses unless he has supportable valuation of this securities.

I would like to discuss several of the key determinants of value that must be considered. The use of these measures and approaches applies to all capital stock valuation studies, but in estate and gift tax cases, some specific refinements are imposed by Treasury Department regulations.

Market Value and Future Earnings

When an appraiser undertakes a capital stock valuation, his task involves the establishment of a *fair market value* for the shares under study. His investigation requires the structuring of a hypothetical market in which the shares would freely exchange between a willing buyer and a willing seller, with equity to both and with full time for market exposure.

In this hypothetical market, the appraiser assumes that the purchaser is buying two things: initially, he is buying equity in the corporation. Secondly, the purchaser acquires an interest in future earnings, and his purchase is in anticipation of those earnings. The valuation thus must be grounded in knowledge of the assets being acquired and in the future productive capacity and earnings posture of the business. In basing the appraisal on these considerations, a number of approaches must be taken.

Of critical importance is the long-term economic health of the industry group in which the corporation belongs. Businesses involved in chlorophyl products were healthy in 1952, for example, but by 1956, they had begun to enter an eclipse. The appraiser at work on shares in firms of this kind in 1956 would have the problem of weighing the impact of this decline on the value of equities. Similarly, hula hoops made a spectacular entrance into the market in 1957, but within a few years, they too had entered a decline. Unless the makers of hula hoops could convert their manufacturing capacity to other plastic lines, the value of their capital shares would obviously have to be penalized in a valuation made shortly after market saturation was attained and consumer interest had begun to dwindle.

The volatility of an industry is not confined to consumer goods. The shift from stainless steel to titanium by users of fittings for chemical processing equipment, for example, could easily reduce the value of shares of industries tooled exclusively for the machining of stainless steel. The shift from steel to aluminum, similarly, could affect the fair market value of stocks of many firms that are exclusively steel fabricators.

The Firm Itself

Aside from consideration of the economic health of the industrial group to which the corporation under study belongs, the appraiser must also examine the relative health of the corporation within its own family. A corporation might well be in an expanding and profitable line, but its own prospects might be poor because of internal problems. The corporation might be burdened with obsolete or inefficient equipment that induced high operating costs its building layout might be such as to generate high handling and communication costs; or its plant location in relation to raw materials sources, markets, and labor supply might be poor. On the other hand, for opposite reasons, the corporation might be in an especially favorable position in relation to competition within its industrial group.

Many of the companies new to the South, for example, have located in modern buildings with modern equipment, and they are close to an abundant supply of favorably priced labor, raw materials, and a growing market. A historic example of contrasts within an industrial group is the difference between the textile plants of Massachusetts and their lower cost, more efficient cousins in North and South Carolina.

Another factor in the economic health of a corporation as compared to the economic health of its group is the internal management of the corporation under study. If the management is progressive and alert to profit opportunities — if management had developed a second echelon of able executives who can assume the duties of their superiors at an appropriate time — if the sales policy and promotion effort is aggressive—then such a company's capital stock is more valuable than a similar company that is burdened with overly conservative management, a few key men near retirement age with no replacements in training, and an extremely cautious sales program.

Sales-Earnings Trend

Very significant is the trend of sales and earnings. And the appraiser must also relate the ratio of earnings to sales over a period, to determine whether earnings and gross profit have a downward or an upward tendency and whether there is danger of unhealthy fluctuations in operating costs. If the ratio of earnings to sales is lower than is common in comparable companies, the company under study may be marginal and the appraiser must recognize that fact in his valuation.

Capital structure is also an important consideration in setting capital stock values. The appraiser must acertain its net current asset position and ask himself whether the company is so low on working capital that it must discount its receivables, whether there is a significant bad debt record, and whether the amount of notes payable exceeds the amount that can reasonably be anticipated as income to permit their retirement without a harmful reduction in working capital. Inventories also require close scrutiny. The appraiser needs to know whether LIFO or FIFO is used.

The analysis of inventory must also expose whether there is a high volume of excessively slow moving items that tend to overstate the actual value of the inventory. In one case that I can recall, a midwestern steel fittings manufacturer carried an entry on his balance sheet that represented substantial inventory of items that were no longer used and which should have been sold for scrap. It is also important to know whether a firm has recently changed its method of inventory accounting. In one case in which our company was involved as appraisers, we found that the company had never carried work in process in its inventory, but had expensed labor and overhead on the items carried in the inventory. In the last year studied, however, the company had changed its policy and had included work in process as an asset and it therefore showed an unusually high profit in the year of change.

Evaluating Hidden and Fixed Assets

There are other hidden assets that are frequently encountered in a searching capital stock valuation. Patents, royalty agreements, favorable leases, negative covenants, licenses, and other intangibles may have important influence on earnings. Early termination of patent life of franchise agreement might have a depressing effect on future earnings.

And just as hidden assets have a bearing on value, so the fixed assets frequently need a fresh examination. Whereas it is often true that buildings and equipment may have a value as part of a going concern substantially above undepreciated book value, this is not necessarily significant. However, of great significance is the question of whether additional investment in fixed assets will be required to continue or maximize the annual net income. If additional capital contributions are requested, the valuation and its supporting report should recognize that fact.

Another classification that needs re-examination is the investment portfolio. Not only must listed securities be studied, but if the company under study has ownership in unlisted companies, an investigation of these equities may also be required.

In cases involving sale or merger, it is very necessary to consider the purpose of the transaction. If, for example, in acquisition or merger a company with a loss history is acquiring a profitable company to take advantage of its tax loss carry forward, then the value of the profitable company to the loss company is greater than would be the case if the loss did not exist. If a company acquires one of its principal suppliers or sales outlets in a vertical consolidation program, there are savings generated by lower materials costs or by increased profitability. The problem in these cases is who should benefit by the potential saving produced by the merger or acquisition: the buyer or the seller? In all fairness, the benefits should probably be shared by both the buyer and the seller.

Compiling Comparable Data

Most significant in investigations for inheritance tax valuation is the assembly of statistics for comparable or near comparable companies for which the stock is actively traded in recognized markets. At times the selection of comparative companies can be difficult because the firms for which public financial information is available are normally larger and more diversified in their activities than is the case with closely held corporations.

In making comparisons, the goal is to place the operating results of the selected companies in as nearly the same framework as possible. The comparison is made to establish the relative financial strength and operating performance of the comparative companies. This requries study and adjustment of sales, earnings, income ratios, inventory turnover, and debt.

When the analysis is completed, the appraiser should be able to say with authority that if a prudent investor would pay what he has in fact paid for shares of the comparable companies, he should be willing to pay a given amount for shares in the closely held corporation under study. In short, the analysis is designed to demonstrate what a knowledgeable investor would be willing to pay for the stock had the same facts been available for the subject closely held company as were available for the published companies.

Premium for Majority Holding Stock

Perhaps the most essential consideration is whether the stock being studied represents a minority or majority holding. A controlling interest naturally commands a premium over minority interests.

Majority control can influence dividend payout, the level of reinvestment, executive compensation, the policy on additional stock sales, and company operating policy. Frequently, minority interests are locked in; they have little voice on these vital questions, and precisely because they are minority interests, the market for their securities is penalized. There are scores of companies in which minority stockholders are unable to sell their interests and on which they receive no return because the majority stockholders—who are typically in charge of management—use executive compensation rather than dividends to extract profits. Occasionally, situations of this kind lead to court actions, but unless the company is nearly insolvent, there is little chance of breaking loose the investment represented by the minority holdings.

Type of Ownership and Taxes

A change in the form of ownership can also influence stock values. Under Sections 1371 through 1375 of the 1954 Revenue Code, a domestic corporation with no more than 10 individual stockholders and having but one class of stock can elect to be taxed as a partnership. Under this provision, the Federal corporate income levy is not applied, and the tax paid on profits is the same as ordinary income taxation. The advantages of this section to taxpayers are significant, since opportunity is given to avoid taxation at the corporate level. If however, any of the stock of a corporation invoking this option passes into more than 10 hands, or if another corporation or partnership acquires any of the stock, then the option is not permitted, and corporate income taxes become effective.

Since the return on investment is reduced through corporate income taxation, the value of stock in a closely held corporation will decline in value to compensate for the tax when the form of ownership changes. Unfortunately, it is not always possible to predict whether the form of ownership will change, since it is possible that one person in a closely held company will sell to another person who may in turn sell his stock to several persons and make Sections 1371 through 1375 inoperative.

Market values of closely held stocks are frequently penalized because the market in which they are available for sale is limited. A company might be located in a small town and its reputation restricted to a narrowly confined region. In this instance, stock ownership in the company would not be highly liquid, like a listed security, and the potential investor would expect a compensating discount.

Restrictions on Shares

Finally, the restrictions that surround corporate shares should be considered. In many closely held corporations, the articles and by-laws provide options of first refusal and purchase options by the corporate treasury or the original stockholders. In other cases, stockholders are prohibited from pledging their shares as security for personal loans. The most restrictive provision is the option to purchase at a predetermined level. A minority stockholder may need or desire to sell his interest, but he may suffer a considerable loss if the corporation or other stockholders by corporate by-laws have a purchase option at a level that is below the appreciated level of a security.

To illustrate some of the intricacies of capital stock valuation, let me briefly touch on one case. A family owned company had assets stated at $11,000,000. A gift of 200 shares of common stock was made at a stated value of $100 per share. The valuation was contested on the premise that the book value of $8,500 was correct.

An investigation disclosed several internal problems. Earnings were declining, management poor, no dividend payout, no market for the stock, and—most important—the books showed a cumulative preferred stock arrearage of $3,500,000. A forecast of earnings, pointed to some 20 years to payoff this arrearage.

On the premise of the current capital structure, the common stock in question had no value. In a hypothetical reorganization, assuming that debentures would be issued to washout the preferred stock arrears, and new preferred stock issued with a realistic dividend rate, the equity appeared much better. On this basis, the case supported a fair market value for the common stock of $550 as contrasted to book value of $8,500.

The problem of valuation of closely held or non-traded equities can involve the trust officer for probate of estate administration, inheritance tax, purchase or sale, or litigation by minority interest. In any case, protection of trusteeship is best assured by careful assembly of the facts, thorough analysis, and competent presentation supported by experienced testimony if required. My own exposure prompts me to view with askance many rule-of-thumb formulas such as rigid percentages of book value or rigid multiples of earnings.

*An address by Mr. Schwingle before the American Bankers Association, Southern Trust Officers Conference, Jackson, Mississippi.

Howard Hirsch Honored By Syracuse University

Howard C. Hirsch, senior partner in the investment firm of Hirsch & Co., members of the New York Stock Exchange and other exchanges, has received an Honorary Doctor of Laws Degree from Syracuse University, it was announced.

Mr. Hirsch accepted the degree at the 107th commencement exercises of the upstate University.

Chesson Securities Formed

MYRTLE BEACH, S. C.—Richard T. Chesson is engaging in a securities business from offices at 401 Twelfth Avenue, North under the firm name of Chesson Securities Company. Mr. Chesson was formerly with Powell, Kistler & Co.

Bank of America Promotes

SAN FRANCISCO, Calif. — Promotion of Arthur J. Micheletti to Assistant Vice-President in the Municipal Bond department at Bank of America's head office, 300 Montgomery Street, was announced by Vice-President Frank E. Young, personnel relations officer.

Assigned to the department the past six years, Mr. Micheletti was named head of the department's municipal bond trading section last January and before that served as a bond trader for two years. He joined the bank in 1950 and was assigned to branches in Burlingame, San Mateo and Millbrae until 1955 when he moved to the head office. He was promoted to officer status at the Millbrae office in 1953.

Longstreth Co. Formed

ALLENTOWN, Pa.—Longstreth & Co., Inc. has been formed with offices in the Commerce Building to engage in a securities business. Officers are Frank M. Longstreth III, president; Max Cornfeld, vice-president; Jack Greenblatt secretary; and Ogden R. Davies, treasurer. Mr. Longstreth was formerly with Reynolds & Co., Ira Haupt & Co. and Warner, Jennings, Mandel & Longstreth.

Commercial Banking's Current Legislative Position

By M. Monroe Kimbrel,* *Chairman, Federal Legislative Committee, American Bankers Association and Chairman of the Board, First National Bank, Thomson, Ga.*

Georgia banker reviews principal subjects concerning bankers in the 87th Congress. Reference is made to the President's encouraging reference favoring tax uniformity between financial institutions, and to cooperative efforts of five commercial banker groups which joined forces last December to secure tax uniformity legislation. Mr. Kimbrel refers to efforts being made to convince the Treasury of the impracticality of developing a workable interest and dividend withholding system; outlines the ABA's opposition to Federally chartered mutual savings banks; and explains why disclosure of finance charges called for in Senator Douglas' bill should be confined to "dollar amounts"—not simple annual interest—and be "enforced entirely" at the State level.

At the present time we have reason to be more optimistic about Federal legislative process. Banking is playing a more effective part in the legislative process, and the importance of Federal legislation to sound banking operations is becoming more generally recognized by bankers throughout the country. We in the American Bankers Association know also that this awareness of personal political responsibility on the part of bankers is nowhere more evident than in the membership of The Independent Bankers Association, and we commend them for it.


M. Monroe Kimbrel

Some of banking's most able leaders in this field come from independent banks. I have participated on behalf of the A. B. A. in many meetings with the officers of the Independent Bankers Association and members of its Fair Tax Committee. Their appreciation of banking's political role, as well as their co-operation in all matters of mutual interest to our respective associations, is of the highest caliber.

It is my intention to review recent developments in the field of banking legislation. I will cover only the major areas of interest, namely, tax uniformity among financial institutions, mandatory withholding on dividends and interest, the Douglas interest disclosure bill, and the proposed system of Federally chartered mutual savings banks. I believe that these are the primary subjects with which bankers will be concerned in the 87th Congress.

Before dealing with specifics, I would like to describe briefly the practical background against which all legislative interests must be considered.

How Congress Votes

The national election last November gave us a new President, who for the first time in 12 years has an overwhelming majority of his party in both Houses of Congress. One has to go back to the 81st Congress of 1949-1951 to find a parallel. In the light of political realities, however, the majorities lose some significance.

While the Senate remained virtually unchanged in both party composition and political philosophy, the House recorded net gains for Republicans and conservatives alike. Thus, the so-called "coalition" of Republicans and Southern Democrats increased in strength, and is still operative as can be seen from the vote last month on the minimum wage proposal.

I mention this because we hear so much about the effect the "coalition" can have on any particular piece of legislation. But, it is my firm belief that the division between liberals and conservatives in the Congress will have no bearing on the future of banking legislation—no more than will the division in party allegiance.

In the first place, the way a member of Congress votes depends to a great extent on the nature of the issue before him. The conservative or "coalition" vote in the Senate during the last session of Congress ranged from a high of 51% to a low of 16%. In the House it was almost identical, scaling down from a high mark of 52% to, again, a low of 16%, based on the subject under consideration.

Second, and more important, the nature of most banking legislation transcends political affiliations, both party and philosophical.

Recall for a moment the votes over the past few years on some of these banking bills. During the 86th Congress laws were passed to revise Federal Reserve Board powers over member bank reserve requirements, to modernize the borrowing and lending powers of national banks, to vest final authority over insured bank mergers in the appropriate Federal bank supervisory agency, and to simplify the method of determining the assessment paid by insured banks to the F. D. I. C.

Most of this legislation was passed by both the Senate and House either by voice vote or under suspension of the rules. In other words, these banking issues were not measured by partisan political yardsticks.

The cause of sound banking has been championed in Congress by members from every bar of the political spectrum. Representative Brent Spence of Kentucky, former Representative Paul Brown of Georgia, Representative Abraham Multer of New York, Senators Willis Robertson of Virginia and Prescott Bush of Connecticut—all of these able men have demonstrated effective leadership in behalf of sound banking legislation.

The present Congress to date has taken little action on measures of interest to banking. President Kennedy assigned priority to 16 measures he said he hoped would be passed at the earliest opportunity. None of these is a banking measure, and only a few, such as aid for depressed areas, social security changes, and an increased minimum wage, affect banking substantially. This "must" program has kept Congress occupied along with organizational matters, internal rules disputes, executive agency nominations, and the annual appropriations bills.

The President's recent tax message, however, may provide the impetus for two proposals of great moment to banking—one favorable and one unfavorable.

Taxation of Mutual Institutions

We are most encouraged by the President's reference to the need for greater tax equity and removal of tax preferences now granted certain classes of taxpayers. This is an important step toward tax uniformity between financial institutions.

From Section 5 of the message, entitled "Cooperatives and Financial Institutions" I quote the following paragraph:

"Some of the most important types of private savings and lending institutions in the country are accorded tax deductible reserve provisions which substantially reduce or eliminate their Federal income tax liability. These provisions should be reviewed with the aim of assuring non-discriminatory treatment."

In a closing sentence to this section, which deals also with taxation of cooperatives and fire and casuality insurance companies, the President states:

"Remedial legislation in these fields would enlarge the revenues and contribute to a fair and sound tax structure."

Of course, we all know that the Ways and Means Committee has before it two identical bills which, if enacted, would not only provide increased Federal tax revenue but would also remove the present discriminatory application of Federal income tax law among commercial banks, savings and loan associations, and mutual savings banks. The bipartisan measures introduced by Representative Harrison, Democrat of Virginia, and Curtis, Republican of Missouri, could provide the Treasury with about $350 million the first year after enactment, and also place these competing financial institutions on a more equal tax basis.

The Harrison-Curtis proposal would simply repeal that provision in the Internal Revenue Code which establishes a reserve for bad debts for savings and loan associations and mutual savings banks. Such repeal would have the effect of making these institutions subject to the same statutory authority and regulatory procedures for the establishment of bad debt reserves that are now applicable to all other classes of taxpayers, including commercial banks.

Bankers' Cooperation

I'm certain that bankers have been kept well informed on all the developments in this matter. Probably the most significant of these developments came last December when five commercial banker organizations agreed upon the principles of a tax equality program and began coordinating their efforts to secure the necessary legislation.

Since then The Independent Bankers Association, The Association of Reserve City Bankers, The Bankers Committee on Tax Equality, The Roth Committee, and The American Bankers Association have embarked on an intensive program which we hope will produce favorable results. I cannot emphasize too strongly that this is an endeavor which can be successful only through the operation of a united front such as we have been fortunate enough to achieve.

Members of Congress must be made aware of tax inequality as it now exists and the solution offered by the Harrison and Curtis bills.

Once that is done I am sure that remedial legislation will follow. For we are dealing with rational men who will support what reason shows to be right and true, and we have both these qualities on our side.

Withholding of Tax on Interest And Dividends

The President's tax message also includes a recommendation for withholding of taxes on interest and dividends.

Many are familiar with the cooperative educational program which was undertaken in 1959 and 1960 by banks and other institutional payors of interest and dividends at the request of Treasury to inform individual taxpayers of their responsibililty to report interest and dividends on their tax returns.

Treasury Department officials under the former Administration were opposed to withholding of taxes on interest and dividends because of the serious refund problem it would create. They were hopeful that through cooperative effort and by strengthening their enforcement procedures the gap in the unreported dividends and interest could be substantially closed, and that withholding could be forestalled. The former Under Secretary of the Treasury reported as late as January of this year that the results of the 1959 effort to inform taxpayers of their responsibility were most encouraging. According to a sample survey by the Treasury of 1959 individual income tax returns, it was estimated that the unreported dividend gap had been closed by more than 50% and the gap in unreported interest by slightly less than 50%.

Another reason that the former Treasury officials felt a withholding system was unnecessary was their intention to convert the handling of all tax returns to automatic data processing. It was expected that such conversion would be started this year and be completed in all internal revenue districts within four or five years. The use of automatic data processing will greatly facilitate the matching of information returns with the regular income tax returns and thus enable the Treasury to easily determine which taxpayers are failing to report dividends or interest and to take appropriate action.

A series of meetings have been held with Stanley Surrey, Assistant Secretary of the Treasury, at his request. Mr. Surrey will have the responsibility in the Treasury for drafting legislation containing the Administration's tax proposals, including withholding. These meetings have been attended by banking representatives who have expert knowledge of the operating problems that withholding would create in the savings departments, stock transfer departments and trust departments of banks.

Every effort is being made to convince Mr. Surrey that it is virtually impossible to develop a workable withholding system which would not be unduly burdensome to banks and other interest and dividend payors on the one hand or to widows, minors, charitable, educational and other tax exempt organizations, and foreign governments and nationals on the other hand. It was made clear to Mr. Surrey at these meetings that the A. B. A. was reserving its position on any withholding bill that might be introduced and intended to inform the Congress of the many problems and difficulties that would be created if a withholding system were to be imposed on interest and dividend income.

Federal Mutual Savings Banks System

Another proposal which concerns commercial bankers is the one to provide for a Federal System of Mutual Savings Banks.

Bills to this effect have been introduced in this Congress by Representative Multer of New York, Rains of Alabama, and Addonizio of New Jersey.

These banks would be privately managed, organized without capital stock, and insurance by the F.D.I.C. would be mandatory. They would be permitted to join the Federal Home Loan Bank System, though not required to do so, and would be supervised by a new three-member commission. The proposals authorize the voluntary conversion of Federal and State savings and loan associations and State-chartered mutual savings banks into Federal mutual savings banks, and the conversion of Federal mutual savings banks into similar thrift institutions.

The American Bankers Association went on record by resolution at its convention last September opposing in principle the establishment of a Federal Mutual Savings Banks System.

The Association took this position for the following reasons:

(1) There are no satisfactory grounds upon which to base the need for additional savings facilities in those States that do not now have mutual savings banks.

(2) In the past, the dual banking system has been extended only to institutions that had already been authorized in the several States. Forcing mutual savings banks upon States that had previously rejected or found no need for such facilities would seem to be a serious intrusion on States' rights.

(3) Finally, the ABA finds no grounds to substantiate the claim that the establishment of mutual savings banks would stimulate additional savings in the areas where they are to be located. The result probably would be to disperse existing savings rather than create new savings.

Identical bills were introduced in the last Congress but, as the sponsors announced, they were advanced only for study purposes.

Before the 87th Congress convened a number of Federal agencies had given their opinions on the measure. The Housing and Home Finance Agency endorsed the bill, expressing the belief that it would tend to enlarge the supply of mortgage funds and improve the flow of funds to FHA-insured and VA-guaranteed mortgages. The Board of Governors of the Federal Reserve System adopted a neutral position, questioning whether the giving of broad investment powers to Federal mutual savings banks was desirable. The Federal Home Loan Bank Board opposed the bill, fearing that the conferring of broad investment powers on Federal mutual savings banks might turn some of the funds now used for home financing into other channels.

It is only fair to point out that these reports reflect the opinions of a previous Administration on a bill introduced in a previous Congress. However, unless there is a complete turnabout by the agencies who are doubtful of, or opposed to the idea, general acceptance of the proposal is unlikely.

Douglas Finance Charge Disclosure Bill

The last item I would like to discuss is the finance charge disclosure bill by Senator Douglas of Illinois.

The Senator's proposal would require all extenders of credit to furnish the recipient of credit a statement in writing disclosing the full dollar amount of the charges involved, and would also require that these charges be expressed in terms of simple annual interest. We understand that some changes are contemplated in the new bill, but we do not know their extent.

The basic objective of this bill is an admirable one—that is, the full disclosure of finance charges. We in the ABA fully endorse this principle as do many others in the credit field. In fact, the Association 20 years ago promulgated an instalment credit creed which includes the recommendation "that banks should require that each customer be fully informed of all charges in connection with an instalment credit transaction."

But our endorsement applies only to the requirement that finance charges be disclosed as **dollar amounts.**

The expression of these amounts in terms of simple annual interest represents the most objectionable feature of the plan.

Even if such a requirement was necessary to enable people to compare the cost of credit, you can see the difficulties which would arise should the bill become law.

First, it is virtually impossible to express certain finance charges in terms of simple annual interest. There is no set formula, or table whereby the neighborhood garage man, for example, can compute in terms of simple annual interest the cost of a battery over a 3-month period. And it is doubtful that any formulas or tables can be devised, since there are few constant factors involved in the great mass of credit transactions.

Then there is the problem of coverage and administration of such a law. Should all commercial credit transactions be included, or should the law be limited to consumer and retail credit transactions as has been proposed by the Attorney General of New York State?

Many States already have effective laws dealing with this subject. Would a Federal law supersede these, or would transactions covered by State laws be exempted from coverage? The ABA feels that a disclosure law, without a simple annual interest requirement, can best be administered and enforced **entirely** at the State level.

Who would administer the law? At least two Federal agencies have expressed reluctance to act in this capacity.

All things considered, the simple annual interest requirement would increase the expense of extending credit, both to the lender and to the customer, and would only serve to confuse the public.

This completes my review of major banking legislation in the 87th Congress.

We have a few problems to be faced in the present Congress, but none that cannot be overcome by accepting the challenge with vigor and determination. As individual bankers, we have great responsibilities—within our banks, within our communities, and within the nation. But I believe our capacities are more than adequate to meet these responsibilities in whatever manner they are presented to us.

Especially in the field of Federal legislation must we sustain the already manifest interest and active participation which are indispensable to the achievement of sound banking laws. Our success depends largely upon the degree of understanding which bankers can establish with the legislators and with the public.

Bankers must keep themselves informed about the issues and maintain a close relationship with their elected representatives. The same combination has proven that banking can play an effective role in the Federal legislative process, and is the key to the successes of the future.

*An address by Mr. Kimbrel before the Independent Bankers Association, Washington, D. C.

To Speak on Japanese Market

Yeiichi Kuwayama, manager of the New York office of Nomura Securities Co. Ltd., Japan's leading investing firm, will address both the International Management Division, American Management Assn. and the Stanford University Business School Alumni on Thursday and Friday, June 8th and 9th, respectively.

On Thursday morning, at the Hotel Astor, Mr. Kuwayama will discuss the historical development of Japan's capital market, the principal sources of funds available to industry and the critical factors for consideration by foreign companies expecting to do business in Japan. He will also speak on Japan's labor forces, the problems of personnel, labor relations and conditions and employees' expectations.

At the annual general luncheon meeting on Friday in the Adams Room of the New York Chamber of Commerce Building (65 Liberty Street), Mr. Kuwayama will devote his talk to "Investment Opportunities in Japan." In his talk he will detail to the Stanford business alumni the many aspects of Japan's burgeoning postwar economy and growth.

Nomura Securities Co. Ltd. maintains its headquarters in Tokyo, Japan. Over 100 branch offices are located in Japan, Honolulu and New York.

Trotte Joins Searight, Ahalt

Carl M. Trotte has become associated with Searight, Ahalt & O'Connor, Inc., 115 Broadway, New York City, as Vice-President in charge of trading. Mr. Trotte who has been in the investment business for many years, was formerly manager of the trading department of Aetna Securities Corporation.

B. C. Christopher To Admit Partner

ST. LOUIS, Mo.—Norman R. Supper on June 15th will become a partner in the New York Stock Exchange firm of B. C. Christopher & Co., Kansas City, Mo.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Government market continues to display a defensive tone in spite of the consistent purchases of Treasury obligations by the monetary authorities. It seems as though the old liquidity preference idea is again coming to life with the result that the only real sizeable (and it could be independent) market for Government securities is in the short-term issues. There is also a move afoot by many investors to get out of the intermediate and long-term maturities so that the proceeds can be put to work in the near-term liquid obligations.

It is quite evident that the improving condition of business, along with the boom psychology and the apparent lack of fiscal discipline, is creating inflation fears all over again. This type of development has never been bullish for Government bonds.

Even though the late summer and early fall should bring about a greater demand for loanable funds, there is more than a modicum of opinion around that even if the loan demand does increase, by that time the prime rate could still be vulnerable.

More Short-Term Borrowings

The announcement by the Treasury that $1,800,000,000 of new money will be raised through the sale of a strip of bills, with the auction to be held today (June 8) for the whole amount, is considered by the powers that be to be a new financing technique since a new series of $100,000,000 of weekly bills will be added to the outstanding ones for a period of eighteen weeks.

The Treasury tax and loan account can be used to pay for these new bills. Part of this new money will be used to retire that portion of the June 15 tax bills, not turned in for income taxes. This current financing means that short-term issues are still being used by the Treasury to obtain new funds, and at the same time to supply the needs of those who want only near-term obligations.

Inflation and the Investor

The beliefs are strong and evidently growing that the expenditures of the Government will continue to mount and, with no increase in taxes, this will lead to bigger and better deficits. The deficits in the budget were the main reasons for the inflationary psychology which developed in the past. Deficits in the Federal budget in the future will most likely have the same influence on investors' psychology as they have had in the past, namely what is the best and most effective way to hedge against the inflationary developments which usually follow.

There is no doubt in the minds of most money market followers but what the rebirth of the inflation fear will have an adverse influence in time on all fixed income bearing obligations, except for those that mature in a very short period of time. It is evident that the opinions that recurring Treasury deficits are to be looked for in the future is responsible in no small way for the very large and growing demand that is around for short-term Government securities. In addition, this kind of thinking is responsible in some measure for the liquidation which has been going on in the intermediate and long-term Government issues.

Fed's Stabilization Purchasing

There are indications that the purchases of Government obligations by the Federal Reserve Banks, especially in the five to ten year range, have been exercising a stabilizing influence as far as the market action of these obligations is concerned. To be sure, there has been selling of the intermediate term issues but, according to advices, the powers that be have not been inclined to stay in there and make it easy for those who want to dispose of them. On the other hand, there is evidence that bids have been pulled when it looked as though there were sizeable buy orders in the market.

Non-Treasury Bond Markets

The new offerings of corporate and tax-exempt bonds are still on the ample side and these non-Federal securities continue to have more attraction for investors because the yields are better than those which are available in Government bonds. Although the yields on both corporate and tax-exempt bonds as well as Governments have gone up since the "nudging operation" of the monetary authorities was undertaken, it seems as though the build-up in the calendar of the public offerings of non-Treasury bonds has real capital market significance. The cost of getting the funds which are being used for corporate purpose is still very small, since more than 50% of this is borne by the Government. And the tax-exempt cost of obtaining needed money for state and municipal purposes is still not considered to be out of line with the whole scale of loaning rates.

The Federal Government by confining its new money and refunding operations to the near-term sector of the money market has left the long-term sector or the capital market for non-Federal new money raising and refunding ventures. The new funds that are being obtained by corporations and tax exempt entities are usually very effective in combatting the unemployment situation.

Static Yields Indicated

The easy money policy of the powers that be has helped the capital market even though the yields on long-term bonds have gone up a bit from where they were in the immediate past. The increase in offerings of new non-Federal bonds has been sizeable and there are no indications that this trend will not continue.

Therefore, it is being pointed out that, without this help from the monetary authorities, yields on the longest maturities of bonds would most likely have gone up considerably more. Also, there are strong opinions among money market specialists that yields on all bonds will not advance much if any from current levels.

Antitrust in 1960 Decade

By S. Chesterfield Oppenheim,* *Professor of Law, University of Michigan; and Vice-Chairman, Section of Antitrust Law, American Bar Association*

Survey of the present status and future prospects of antitrust action is made by former Co-Chairman of the Attorney General's National Committee to Study the Antitrust Laws. Observations include such general issues as bigness, price uniformity, mechanical "per se" violation rules, pre-merger notification, and pre-complaint evidence. The latter part of Professor Oppenheim's paper deals with patent-antitrust trends wherein he reviews four propositions illustrating areas of patent misuse and antitrust violation, "hard core" judicial protection of patent rights, and a few areas where borderline issues still require clarification.

Law, said Justice Holmes, is a prophecy of what the court might do in the next case. Antitrust invites similar predictions. The major antitrust laws — the Sherman, Federal Trade Commission and Clayton Acts—contain standards which, for the most part, give the courts the final say on the Congressional intention expressed in either the general or specific statutory language. That is why it is often said that the antitrust laws, like the Constitution itself, are what the judges say they mean.

Prof. S. C. Oppenheim

But predictability in the antitrust field also involves what the executive, Congress and the administrative process of the Federal Trade Commission Act may activate. In my projection of antitrust in the 1960's, this attempt at forecasting will take all of these forces into account.

The first part of my discussion will deal with an over-all survey of probabilities of antitrust in the 1960 decade. The latter part will focus on patent-antitrust trends, a subject of particular interest to the Patent Bar.

On the executive and administrative levels antitrust policy today is nonpartisan by political necessity. In the 1960's there will continue to be vigorous antitrust enforcement. This is so because antitrust has become a distinctive American article of political and economic faith in private competitive enterprise as an index of a free society. The Republican and Democratic Parties cannot afford to be unmindful of the fact that the American people have been indoctrinated with antitrust cliches regarding the virtues of competition and the vices of monopoly. It matters little that the lay public is untutored in the technical legal and economic aspects of antitrust doctrine. In their minds antitrust has the image of a Constitutional mandate rather than mere statutory enactments.

We can be sure that in the Kennedy Administration the antitrust trumpets will blare as loudly as in the Eisenhower period. Under Judge Stanley N. Barnes, Victor Hansen and Robert A. Bicks, the three former Republican heads of the Antitrust Division, antitrust enforcement boomed at an inflationary pace. Mr. Bicks actually outdid his predecessors in adding notches to the prosecutor's tomahawk. He chalked up a record that would have satisfied the record of Thurman Arnold in the F. D. R. Administration. The shillelagh in the hands of Attorney General Robert Kennedy's appointee will be wielded with equal force. The Attorney General has already announced continuation of a drive against price fixing conspiracies.

The paramount controversial issue will be the Administration's attitude toward Business Bigness. So far as the Justice Department is concerned, it is doubtful whether we shall be able to identify a frontal attack on business size as such. The Supreme Court and lower Federal courts have not condemned enterprise giantism *per se*. The Antitrust Division has pending suits which have overtones of anti-bigness but they can hardly be classified as cases based directly upon the theory that excessive size of business units is bad for the health of the American economy.

This does not mean we should be unaware of the reality that some members of Congress, some economists and some government attorneys have espoused a direct attack on corporate bigness. It is my long held conviction that such an anti-bigness approach would be a futile nostalgic desire to go back to the early American economy when competition was waged among many small business units and our technology was in its infancy.

Let me state some propositions which to me seem essential to straight thinking on the issue of business bigness.

Criteria For Straight Thinking

First, the polar abstractions of perfect competition and absolute monopoly cannot serve as guides to antitrust policy. In actuality, the various forms of competition are today imperfect. A realistic antitrust policy must settle for conditions compatible with workable or effective competition in any given industry or market. We cannot hope for all the competition that is theoretically possible.

Second, monopoly in a single firm has been rare. Pullman, Alcoa and United Shoe are the only antitrust cases where the government was able to prove that each of these firms had monopoly power to control market price and exclude competitors. There is little likelihood that with the presence of product substitutes in virtually all American markets, one firm can acquire or maintain a stranglehold of monopoly power.

Third, there is misuse of the monopoly slogan in attacks upon industries or markets in which a few large sellers account for the major percentage of production and sales. The economists call these oligopolies. The danger arises when government seeks to equate oligopoly market power with monopoly.

It is common knowledge that in structure and market behavior, there are numerous oligopoly industries in America. My position is that so long as the few large firms in an industry compete effectively and do not engage in collusive practices, a competitive oligopoly should be free from antitrust attack. Neither the Supreme Court nor a lower Federal court has interpreted the antitrust laws as condemning in and of itself economic concentration of an oligopoly. In the 1946 American Tobacco Company case, the Big Three in cigarettes were found guilty of conspiratorial conduct in controlling the leaf tobacco auction markets and in the marketing of their major brands of cigarettes. The conviction was based on this abuse of oligopoly power, not on the fact of oligopoly alone.

In this connection, however, antitrust enforcement is still tainted with fallacious beliefs that oligopoly market behavior is inherently at odds with competitive mechanisms Most economists reject this generalization. It stems from the false notion that identical prices of competitors are proof of absence of competitive rivalry. Some government attorneys would join with some members of Congress and some economists in the false view that price leadership, so-called administered prices and conscious parallel conduct of competitors, which result in uniform prices in a given market at a given time, are invariably the indicia of tacit collusion among them.

In the 1960's these beliefs will probably continue to be advocated. In my opinion, they are contrary to what should be expected from normal competitive responses. When products are standardized or reasonably interchangeable with respect to price, use and quality, economic forces usually compel competitors to meet the lower prices of their rivals or even to meet higher prices when industry-wide increases in cost cause a price leader to initiate a price increase. The Supreme Court has ruled that mere uniform or parallel business behavior in price or in other respects is merely *circumstantial* evidence that may show either independent business decisions of each competitor or an illegal agreement. As the Supreme Court said, "conscious parallelism has not yet read conspiracy out of the Sherman Act entirely."

The Antitrust Division has already suffered dramatic setbacks in its attack on identical prices in the polio vaccine, the Tulsa Oil, the Columbia Pictures and the Continental Baking cases. Failure to prove genuine collusion among competitors proved fatal to the government's case and rightly so.

There is another barrier to sound antitrust in the overstress on price competition. This results in failure to recognize the pervasiveness of non-price competition in brand names, quality, service. So long as there is effective inter-brand competition at the seller and buyer levels, oligopoly competition can be as virile among the large firms as among the small firms.

Favors Rule of Reason Case by Case Decision

My long held belief is that on the issue of bigness and market power the determination of whether there is an antitrust violation should turn on a flexible Rule of Reason inquiry into all of the relevant facts and circumstances in a case by case inquiry. In this area, the Supreme Court has given its blessing to this approach since the majority opinion of the Court in the Standard Oil case of 1911. In 1953 the duPont Cellophane case, the Court reaffirmed this Rule of Reason method of adjudication as applied to monopoly charges under Section 2 of the Sherman Act and dicta in the Klor's case of 1959 again reaffirmed this.

This is the only realistic way of deciding whether a single firm, or an oligopoly of several firms in anindustry, is compatible with the kind and quality of competition required by antitrust policy. In this decade, there will be pressing need to bridge the gap in factual information regarding the structure, market behavior and accomplishment of American industries. But progress is being made toward greater sophistication in antitrust economics and industry case studies, as contrasted with the economic abstractions of preceding decades. These same considerations apply to mergers as forms of business expansion.

In merger cases an extensive Rule of Reason inquiry is an inescapable requisite to determination of whether a corporate acquisition of the stock or assets of another corporation violates amended Section 7 of the Clayton Act. The legal test is whether the acquisition creates the reasonable probability of a substantial lessening of competition or tends to create a monopoly in any line of commerce in any section of the country. The Congressional purpose is to stop in its incipiency undue concentration of market power by this type of corporate growth.

Since mergers as such may either promote or lessen competition, amended Section 7 should not be enforced as an antimerger statute. Moreover, this antitrust provision does not condemn bigness resulting from a corporate merger as such. The prohibited adverse competitive effects must be shown to be reasonably likely in the relevant product and geographic markets in which the merger has an impact.

It is still a controversial issue whether the Department of Justice and Federal Trade Commission merger suits thus far adjudicated have been resolved by resort to a full-scale application of the Rule of Reason. The hard fact is that in all but one litigated case the courts have sustained the Department of Justice attacks on mergers under amended Section 7. The Federal Trade Commission has also ruled against every litigated merger in which the Commission has reviewed the Initial Decision of the Hearing Examiner. The Brown Shoe decision of the District Court, which held the merger of Brown Shoe and Kinney in violation of Section 7, is now pending in the Supreme Court and may throw much needed light on the Supreme Court's thinking since its decision in the duPont-General Motors case under old Section 7.

In any event, my belief is that mergers will continue to come under close scrutiny of the Department of Justice and the Federal Trade Commission in the 1960's. And there is no sign that Congress will relax the statutory curbs on the urge to merge — or as one writer has recently put it, on the anatomy of a merger.

Diversification and Vertical Integration

As a final observation on the bigness issues, it should be noted that neither vertical integration nor diversification of products and functions has ever been held a *per se* violation of the antitrust laws. Only when these forms of business growth are accompanied by an illegal purpose or are the leverage for abuse of market power, such as a monopolistic price squeeze, have they been condemned as antitrust violations. It is not probable that the courts or Congress will depart from these sound principles. But at present there are indications in some quarters that diversification of products is being viewed with alarm as a source of building up strategic advantages of giant enterprises. If this is so, the question still is whether those advantages are or are not compatible with effective competition. Diversification, like vertical integration, are normal forms of business growth which should be sanctioned unless they are otherwise shown to be coupled with proven antitrust violations.

Per Se Illegality

Continuing with this general survey, we note judicial interpretations in antitrust areas where the Supreme Court and lower Federal courts have charted the reefs and shoals of *per se* illegality, in restraints of trade that are deemed inherently unlawful and therefore do not demand an inquiry into all of the relevant circumstances under a expanded Rule of Reason approach.

Antitrust will continue to be an anti-cartel policy in domestic commerce. However, moderate relaxations applicable to foreign commerce may be allowed when the conditions in trade with other countries deny to American enterprise opportunities for export or import.

Anti-cartelism means that the government will continue to attack combinations, conspiracies and other concerted action among competitors when the purpose is to fix market prices, control production, divide territories or allocate customers. Once these restraints of trade are factually shown to exist, they will be held conclusively presumed to be unreasonable *per se* by their very nature.

Group commercial boycotts or refusals to deal by sellers or buyers are also in this category.

In passing, we should note that in the Simplicity Pattern case, the Supreme Court ruled that certain discriminatory practices are absolutely banned under the Robinson-Patman Act, irrespective of their effect upon competition. These include discriminatory brokerage payments, advertising or promotional allowances and services and facilities. Failure to give proportionately equal treatment to all of the customers of the same seller is deemed *per se* unlawful.

Corporations should reconcile themselves to compliance with these *per se* prohibitions which are not likely to be relaxed or repealed by Congressional legislation. There is substantial consensus that the anti-cartel prohibitions of the Sherman Act are in harmony with over-all antitrust objectives. The *per se* Robinson-Patman Act violations continue to be a subject of controversy.

Section 3 of the Clayton Act applies to exclusive dealing arrangements and tying clauses which are reasonably likely to lessen competition substantially. The recent decision of the Supreme Court in Tampa Electric Company lends encouragement to the belief that the Court does not interpret its earlier Standard Stations opinion as precluding an extended Rule of Reason examination of the competitive effects of exclusive dealing under the Clayton Act. In Standard Stations the Court seemed to give too much weight to quantitative measures of adverse effects on competition, such as dollar volume or percentage market shares. The Federal Trade Commission and courts reviewing the Commission's findings of facts have interpreted Standard Stations in that restrictive manner. Tampa Electric, however, expressly states that "a mere showing that the contract itself involves a substantial number of dollars is ordinarily of little consequence." It is gratifying — although perhaps surprising to those who misread Standard Stations—that the Court adopts an extended Rule of Reason market inquiry

Continued on page 26

Gloomy Outlook for British Government Securities

By Paul Einzig

Analytical commentary of developments in Britain's securities market is pessimistic about the prospects of Government loans; finds cross-currents in equities have tended to make unit and investment trusts more popular; and characterizes popular speculative demand for equities of firms which are expected to be subject to take-over offers as becoming something like a lottery. Dr. Einzig questions the new official financial policy to rely less on the Bank rate and more on surcharges as indirect taxes and payroll taxes to check inflation, and is dubious about a possible resort to de-funding to bolster the gilt-edged market.

LONDON, Eng.—In contrast with the firm tone displayed until recently by equities on the London Stock Exchange, British Government Loans have been weak, persistently and declined to new low levels. This was disappointing, because, for the first time for many years, a certain amount of guarded optimism about the prospects of the gilt-edged market developed some months ago. This optimism was based partly on the relative steadiness of the cost of living, which gave rise to hopes that, after all, the purchasing power of principal and interest on Government Loans need not necessarily continue to decline. But to a large extent the firmness of Government Loans and of fixed interest bearing securities in general was due to the setback in equities experienced earlier this year, following on their sharp setback last year.

During the years of almost uninterrupted rise in equities, it came to be assumed that it was almost impossible to go wrong if one invests in equities. The general rising trend was so strong that the difference between lucky and unlucky choice of the particular equities was merely in the degree of the capital appreciation. During 1960-61, however, it became necessary for investors to be more selective, for certain firms and even entire industries experienced large setbacks and their equities declined in contrast to the general rising trend. So it became something of a gamble to invest in equities.

As a result, when Government Loans showed signs of improving owing to the absence of a further rise in the cost of living, there was a distinct tendency on the part of institutional investors and even on the part of individual investors, to switch back into Government Loans which offered a more attractive yield than most of the favorite equities. There was a widespread feeling that the gilt-edged market was at long last coming into its own. It offered such high yield that in the opinion of many investment advisers it provided adequate compensation for the risk of a further erosion of capital through a resumption of inflation.

All of This a Matter of the Past

All this is now unfortunately, a matter of the past. During recent months the cost of living index has been creeping up and those who invested in gilt-edged some months ago now find that the real purchasing power of their capital has declined by nearly 3%, which has more than wiped out the yield on their investment for that period. Moreover, there was until recently a rising trend in the markets for equities, and, unless investors were particularly ill-advised or unlucky in their choice of equities, they gained quite substantial capital appreciations. Finally, the anticipation of the effects of the new legislation under which trustees will be entitled to invest part of the trust funds in good equities also contributed towards the decline in gilt-edged prices.

Since there is every likelihood of a further rise in the cost of living as a result of the stepping up of wage demands, there seems to be good ground for viewing the prospects of Government Loans with pessimism. The assumption that the purchasing power of fixed interest bearing securities is doomed to decline is likely to become once more as strong as ever.

Speculation on Takeover Offers

On the other hand, confidence in a non-stop rise in equities is not as strong as it was until the setback of 1960. For one thing there is a tendency towards profit margins to narrow. Discrepancies between well-chosen and badly-chosen equities are likely to remain pronounced. As a resu there may be a tendency for investment trusts and unit trust to become more popular, becaus many individual investors ar likely to prefer to rely on the ris on the average prices of equitie rather than risk making an unlucky choice of investment. On the other hand, so long as frequent take-over bids result in unexpected capital profits in many instances, there is bound to be a strong demand for the equities of firms which are expected to be subject to take-over offers. This search for those equities which appear to stand a chance of a take-over bid has become something like a lottery, and it does attract investors of a more speculative type, who are prepared to risk a heavy loss if the anticipated take-over bid fails to materialize.

A point in favor of Government Loans is the Government's declared intention of making less use of the Bank rate weapon than in the past. It is the intention of the monetary authorities to resort to the new device of surcharges on indirect taxes and a payroll tax to check inflation in preference to raising the Bank rate to crisis level. Should it prove practicable to pursue this new policy—about which there is room for more than one opinion—it would of course, tend to keep down the level of short-term interest rates. In due course this would affect also the level of long-term interest rates. At the same time, it may affect adversely a wide range of equities. In itself, however, it is hardly likely to save the gilt-edged market from a decline in face of an accentuation of inflation that would result from a failure of the new device to be as effective for checking inflation as a 7% Bank rate.

Dubious of De-funding Consequences

Possibly the Government may make an effort to bolster up the gilt-edged market by pursuing a policy of de-funding. Should this result in an increase in the volume of Treasury bills, however, the liquidity ratio of banks would increase, and this would lead to further credit expansion which in turn would aggravate inflation and accentuate in the long run the downward trend of Government Loans.

SEC Names Young N. Y. Reg. Adm.

Chairman William L. Cary of the Securities and Exchange Commission has announced the appointment of Llewellyn P. Young, as Administrator of the Commission's New York Regional Office. He will assume his duties on June 26, 1961.

Mr. Young is a graduate in 1947 of Haverford College and in 1950 of the Yale Law School, where he was comment editor of the Yale Law Journal. Since admission to the New York Bar he has been associated with the New York law firm of Carter, Ledyard and Milburn, where he has had extensive practice in litigation and corporate work.

In Securities Business

Arthur Goodman is engaging in a securities business from offices at 76 William Street, New York City.

Sony Corp. Common Offered

Pursuant to a June 7, 1961, prospectus, Smith, Barney & Co., and The Nomura Securities Co., Ltd., New York and associates, publicly offered 2,000,000 shares of this firm's common stk. The $3,500,000 offering is being made in the form of 200,000 American Depositary shares priced at $17.50 per share. Each American Depositary share represents 10 common shares of stock. The sale marks the first public offering of a Japanese company's common stock registered under the U. S. Securities Act of 1933.

Sony, of Tokyo, Japan, will use the proceeds for expansion. It makes transistorized radios, magnetic tape recorders and other electronic products. The company has three plants in Japan and one at Shannon, Ireland. Authorized capital consists of 72,000,000 shares (par 50 yen), of which 42,000,000 will be outstanding on completion of this offering. Morgan Guaranty Trust Co. of New York is the depositary for the ADRs.

RMS Electronics Common Offered

Pursuant to a June 7, 1961, offering circular, Martinelli & Co., Inc., 79 Wall Street, publicly offered 100,000 shares of this company's 25 cent par common stock at $3 per share. Proceeds will be used by the company for general corporate purposes.

RMS Electronics of 2016 Bronxdale Ave., Bronx, N. Y., manufactures television and FM radio antennae.

Szymczak Joining C. J. Devine Co.

WASHINGTON, D. C., June 7—M. S. Szymczak, whose resignation as a member of the Board of Governors of the Federal Reserve System was accepted by President Kennedy before his departure for Europe last week, will become associated with C. J. Devine & Co., 48 Wall St., New York City, investment bankers and specialists in U. S. Government securities, it has been announced.

M. S. Szymczak

Governor Szymczak was a member of the Federal Reserve Board for 28 years, a record that will never be eclipsed because present law forbids reappointment after a single 14-year term. Coincidentally, C. J. Devine & Co. is marking its 28th year in business.

In his new capacity, Mr. Szymczak will act as consultant to C. J. Devine & Co., one of the country's most active dealers in U. S. Government and municipal securities. He will also continue as professorial lecturer in economics at Georgetown University, where he has served since 1953. Many attending his course on "Comparative Monetary Policy" are foreign students whom he encourages to develop papers describing monetary policies of their own countries.

Mr. Szymczak is preparing a book on comparative monetary policy, written in business vernacular rather than technical language, which is to be completed in 1962. It will treat on such subjects as open market operations, discount rates, rate structures, credit demands, and reserve requirements. It will review various economic situations that have occurred here and abroad, and explain how problems were resolved by the Federal Reserve System and by other nations.

Before coming to Washington, Mr. Szymczak was vice-president and director of Northwestern Trust & Savings Bank and vice-president of Hatterman & Glanz State Bank in Chicago. He was also educational director of Illinois League of Building and Loan Associations and director of Ridgemoor Building and Loan Association.

A native of Chicago, Mr. Szymczak served as comptroller of the City of Chicago in 1931-33. He was previously clerk of the Superior Court of Cook County, Ill. Mr. Szymczak was U. S. Advisor, International Monetary and Financial Conference at Bretton Woods, N. H., in July 1944. Later that year, he was appointed chairman of the mission to London for Foreign Economic Administration on reconstruction needs of Belgium. In 1946, he was appointed by the War Department at the request of President Truman as chief, Trade and Commerce Branch, Economics Division, Office of Military Government for Germany and then succeeded General William Draper as director of the entire Economics Division.

Mr. Szymczak holds A. B. and A. M. Degrees at St. Mary's College in Kentucky and DePaul University in Chicago. He is an honorary doctor of law at DePaul and Fordham Universities.

Mr. Szymczak has lectured at the University of Wisconsin, American University, The University of Chicago, and a number of other institutions of higher learning. He was decorated by the Government of Poland in 1936 and was made a Commander of the Order of the Crown by The Prince Regent of Belgium after World War II.

Frederick A. Baer Opens

Frederick A. Baer is engaging in a securities business from offices at 525 East 89th Street, New York City under the firm name of Frederick A. Baer Co. Mr. Baer was formerly with Bache & Co., Carl M. Loeb, Rhoades & Co., and Steiner, Rouse & Co.

Harold Bell Opens

BILLINGS, Mont.—Harold R. Bell is conducting a securities business from offices at 2504 Beth Drive under the firm name of Harold R. Bell & Associates.

T. J. Euper Now With Keon & Co.

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Thomas J. Euper has become associated with Keon and Co., Inc., 618 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Euper who has been in the investment business for many years was formerly in the trading department of Hornblower & Weeks in Los Angeles.

Thomas J. Euper

Max Pollock 42 Years in St.

Max E. Pollock, Executive Vice-President of Wm. E. Pollock & Co., Inc., 45 Wall Street, New York City, dealers in U. S. Government, State, Municipal and Corporate Bonds, is celebrating his 42nd year in Wall Street.

Max Pollock

Commonwealth Funds Name Two

SAN FRANCISCO, Calif. — Warren D. Williams, Jr., has joined the Commonwealth Group of Mutual Funds, Russ Building, as Corporate Secretary and Darrell J. Winrich has been elected assistant Vice-President, it was announced by Chairman S. Waldo Coleman and President Robert L. Cody.

Mr. Williams was formerly Assistant Secretary of Firstamerica Corp., Los Angeles and earlier was legal assistant to the President of Transamerica Corp. Mr. Winrich joined Commonwealth in 1955 as a securities analyst and was named senior analyst in 1960.

It was also announced that Eduard G. Locher has joined the investment department of the Commonwealth Group. Mr. Locher was formerly with the international division of Crocker-Anglo National Bank and with the Banque Populaire Suisse in Switzerland.

Chicago Analysts to Hear

CHICAGO, Ill. — Maynard P. Venema, chairman of the board and president of Universal Oil Products Company, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held June 8th at the Midland Hotel.

Form Roth, Gerard

On June 8, Roth, Gerard & Co., members of the New York Stock Exchange, will be formed with offices at 15 Broad Street, New York City, to engage in a securities business. Partners will be Alan Roth, member of the Exchange, and Emanuel Gerard, general partners, and Pamela Gerard, limited partner.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Enough individual industrial stocks did well in unison this week, to push their average back to the 700 line where it had tarried for a handful of sessions in mid-May for the first time in history.

Whether the initial nudge that carried it to that high standing was a legitimate test of the old high was still not clear, but it raised little in the way of fresh doubts that a new high would be seen before too long.

For those who use the closing averages, the peak of 705.96 wasn't in any jeopardy from the 703 readings seen in this week Monday and Tuesday sessions when it returned to the 700 area. But on an hourly basis the rally carried to 705.29 with selling moving in which kept it from getting to the 705.96 peak of May 19. That could be construed as a rebuff.

But technical considerations weren't getting too much attention. The issues dotting the new highs list were persistent in their day-after-day appearances, notably Woolworth, the blue chip that was neglected for more years, perhaps, than any other in that exclusive circle.

Throughout the mid-50's, Woolworth hovered in annual ranges of five to seven points overall, one year straggling over a range of only a shade over three points for a full year's work. It is still one of those rare components of the industrial average that has to trace back to 1929 for its last stock split.

The commotion was set off by Woolworth's decision to get into the discount chain business and the strength was spreading slowly through the other chain store stocks to give them some life. In any event, the 1961 range for the shares already is in excess of a score of points for a definitely new look.

Dubious Business News

The business news wasn't overly bright, including a downturn in steel operations which put a little weight on shares representing one of the key segments of the economy. The forecasts were still favorable, however, and expectations were that the shutdown of steel consumers for vacations wouldn't keep the steel business from holding up well, and showing a good jump when fall orders start to arrive.

One steel issue that has been able to show up better than the industry generally has been Inland Steel which operates in the strategic steel-consuming area around Chicago. Its operations have consistently run ahead of the industry average. With profit-margins likely to improve because of internal economies and improved operating results, Inland is expected to show a good profit comparison with that of 1960. With an indicated yield of more than 3½%, the return is above average for that of the general market.

Attractive Rail Item

Rails have few followers lately and even Canadian Pacific, where there is a promise of a radical change in the road's fortunes, has been a quiet item hovering in a total range of less than half a dozen points this year. Its yield is nudging 6% at recent prices without attracting much in the way of investment interest.

The promise in Canadian Pacific lies in recommendations of a commission set up to aid the roads, the second such set up in less than two years. The recommendations suggest government assistance for services the railroads are required to offer under the low rates that result in losses to the road. One estimate is that if the suggestions become law, against the $17 million of operating income reported by the Canadian Pacific in 1960, an additional $20 million after taxes would be supplied as grants.

Like some well-diversified American railroads, Canadian Pacific has plenty of outside interests. In fact, it is more diversified than any American road. It owns the largest trucking company in the country, eight ocean vessels that operate in both the Atlantic and Pacific, and has a wholly owned airline although this has been having profit trouble that is of little help to its parent at the moment.

Canadian Pacific also runs around a dozen hotels, has a majority interest in Consolidated Mining & Smelting from which it received an $8.4 million dividend payout last year and expects the payout to improve this year. It gets oil royalty revenue and has a wholly-owned oil company of its own.

I.T. & T.—A Wonder Science Issue

International Telephone, which is well situated to rate as one of the wonder-science issues in the electronic-missile fields, has been short of spectacular despite its ability to turn in record sales last year. Furthermore, it showed a 1960 profit of 11% above the year before, although I.T. & T. in the past has not been noted for being able to show the best profit ratio around.

But apparently the stress on improving I.T. & T.'s profit picture by a comparatively new management is starting to take hold. The company has set as a five-year goal a doubled volume and a constantly improving profit margin, particularly since it is a leading manufacturer in some of the world's low-labor-cost areas and in some the labor bill is only half of that in this country. Only 43% of its manufacturing sales last year came from domestic plants.

Airlines Facing Better Profit Margins

Various of the nation's airlines at this time come in for favorable analytical comment, but the airlines that have had to convert—expensively — to jet fleets since early last year, haven't been very attractive although traffic has continued to pick up. With costs under control, and business seemingly slated for a good pickup in the fall, the lines could make a far better showing this year. In this section Pan American World Airways is something of a favorite. It did well last year with passenger miles up 12%, cargo ton-miles up 18% and passenger revenue up 16%, and seems headed for a much better year, particularly profitwise, this year.

The one that doesn't normally feature in airline discussions is Slick Airways in the air cargo section. Yet Slick's prospects seem bright with the line poised on the brink of a new appearance when it gets its new turboprop cargo planes this year. These can carry a good cargo load at high speed coast-to-coast nonstop and are so constructed that mechanical loading and unloading will speed up considerably the time lost in such operations. Some estimates are that these planes will provide an effective cargo capability some 10 times more than present equipment.

Slick's sole bid for diversification, and that mostly to tide it over the changeover period, was acquiring Illinois Shade Cloth Corp., the second largest maker of window shades. But the line hasn't been unattractive to institutional investors. Chesapeake & Ohio, unable by law to control an airline, has been able to circumvent that and build up a sizable stake in Slick by taking $3.3 of a $5 million issue of debentures.

There won't be any tax bill for Slick in 1961 since it has a loss carryover. Such carryovers kept it income tax-free last year, too. With the debentures convertible, the shares outstanding could about double, so per share earnings estimates are vague, particularly since the success of Slick's reentry into the cargo carrier field is also moot. That makes it a speculation but apparently one of merit to C. & O. at least.

Neglected Blue Chip

The quality items under pressure recently from external situations had one thing in common—widespread suggestions from brokers and services that holders continue to hold them. Standard of New Jersey was somewhat neglected by these sources although it is a famous name, selling at around 14-times last year's earnings for an unusually low ratio, and offering nearly 5% from one of the nation's top corporations. Few oil issues have had any sustained investment demand for years, in fact since Suez disrupted the operations of the international companies. But the neglect isn't warranted since Jersey's profit picture has been improving since 1957 and jumped 12% for the first quarter this year when good earnings reports were somewhat rare.

[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.]

Signing Agreements on Offering Of Sony Corporation

Akio Morita, Executive Vice-President of Sony Corporation, Tokyo, Japanese electronics manufacturer, is shown above (center) signing documents covering the scheduled public offering Wednesday, June 7, in the United States of 200,000 American Depositary Shares representing 2,000,000 common shares of Sony by an underwriting group headed by Smith, Barney & Co. and The Nomura Securities Co., Ltd. At left is Ernest B. Schwarzenbach, partner of Smith, Barney & Co., and, right, Teruo Kurata, managing director of The Nomura Securities Co., Ltd.

The offering marks the first public sale in the United States of common stock of a Japanese company registered under the Securities Act of 1933, and the first public offering in the United States since 1931 of securities of a privately-owned Japanese corporation.

Each American Depositary Share represents 10 shares of Sony common stock. The offering price is $17.50 per American Depositary Share.

Amer. Tel. & Tel. Debs. Offered

A Morgan Stanley & Co. nationwide underwriting group comprised of 143 investment firms offered publicly on June 7 a new issue of $250,000,000 American Telephone and Telegraph Co. 37-year 4¾% debentures.

The debentures, due June 1, 1998, are priced at 101.225% and accrued interest to yield approximately 4.68% to maturity. The issue was awarded to the group at a competitive sale June 6 on its bid of 100.399% which named the 4¾% coupon.

The debentures will not be redeemable prior to June 1, 1971.

The offering ranks with the major underwritten corporate debt financing operations of recent years. In the last seven years, American Telephone has brought out six quarter-of-a-billion-dollar debenture issues, sold at competitive bidding, the most recent an issue of 4¾s due 1992 marketed by a Morgan Stanley group in October, 1960.

Proceeds of the present issue will be used by the company for its general corporate purposes including advances to subsidiary and associated companies, the purchase of stock offered for subscription by such companies, and for extensions, additions and improvements to the company's own telephone plant.

The company intends to call for redemption on or about July 10, 1961 at 107.75%, its $250,000,000 outstanding 27-year 5⅜% debentures due Nov. 1, 1986. The redemption payment will be made from the company's general corporate funds.

Beginning with June 1, 1971 the optional redemption price for the new debentures will be 103.725% to and including May 31, 1972 and, after that date, they will be redeemable at prices decreasing from 103.56% to the principal amount on and after June 1, 1993.

Capitalization of American Telephone and its principal telephone subsidiaries at Dec. 31, 1960 consisted of $7,232,239,000 of funded debt and $13,180,747,000 capital stock and surplus.

Consolidated total operating revenues of the company and its 19 principal telephone subsidiaries for the year 1960 were $7,920,454,000 and total income before interest deductions was $1,508,226,000, compared with $7,392,997,000 and $1,370,410,000 in 1959.

Opens Branch Office

CENTEREACH, N. Y.—Equity Investors Co. of Wilmington, Del. has opened a branch office on Elliott Avenue.

Form Mandel Weinberger

Mandel Weinberger & Co., Inc. has been formed with offices at 79 Wall Street, New York City, to engage in a securities business. Officers are Mandel Weinberger, President and Dorothy Ross, Secretary. Mr. Weinberger formerly conducted his own investment business under the name of Weinberger & Co.

What Should Be the Attitude Of the Gold Mining Industry

By Dr. Donald L. Kemmerer,* *Professor of Economics, University of Illinois, Urbana, Illinois*

In a repeat appearance before the Colorado Mining Association, Dr. Kemmerer explains why a higher price for gold is not a solution to our problems and comments on what should be the attitude of the gold mining industry. The economist applies a 25% gold reserve ratio against short-term claims held by foreigners and finds we still have, including our domestic requirements, a considerable margin of safety. Dr. Kemmerer concernedly agrees steps should be taken to check the outflow of gold but his list of recommendations excludes resort to devaluation and he points out why it would be a dangerous and temporary solution.

Economic Background

We are still on a gold standard although it is a weak one and the economists of a generation ago would have been reluctant to recognize it as such. But today, it is about the best one left in the world. As the French say: "In the land of the blind, the one-eyed man is king." What do we mean by saying that we are on a gold standard? It means simply that we have chosen a certain weight of gold as our monetary unit, in which all prices are quoted. In the United States, since 1934 that weight of gold is 13.71 grains (fine, or pure) and we call it a dollar. The measure of value of our dollar is what that amount of gold will trade for in the world. Basically, a measure of value is like a measure of length (the foot or meter) or a measure of weight (the pound or kilogram). We count on these measuring units to stay stable, not to shrink or expand. Admittedly, we have less control over a measure of value than over a measure of length. But at least we can maintain the same figure for the number of grains of gold in a dollar. That provides us some stability; for example, it keeps the relationship of the dollar with other currencies of the world fairly stable, which is quite important.

Donald L. Kemmerer

If a dollar is 13.71 grains of fine gold, then from every troy ounce, or 480 grains, of fine gold the government can have 35 such dollars. This has come to be called the mint price, or the price of gold. But this price is not determined the way the price of beans, or wheat is determined. It does not shift up and down with changes in the demand of gold buyers and the supply of gold producers. It is not a market price in that usual sense; it is simply the number of dollars that an ounce of gold will coin into. Thus, if we should ever raise the price of gold to say $48 an ounce, we should have to reduce the size of the dollar to 10 grains to get $48 from an ounce of gold. In other words, since gold is the stuff in which all other prices are expressed, its price is upside-down by normal standards. The higher the price of gold, the less the dollar is worth.

There is only one way in which we can consider the price of gold to be a market price. That is to say to the world: "We think that $35 is a reasonable price for gold and we stand by that belief. If you consider it too high, bring us all the gold you like and we'll pay you $35 an ounce for it, and if you think it too low, bring us all the merchandise and services that we want, and for every $35 worth you can take away an ounce of gold." Essentially we have done this now for 27 years. We must continue to do it to be on the gold standard. The moment we legally prevent gold flowing out, say refuse to let foreign central banks have gold, as we have refused to let our citizens have it, we go off the gold standard. The value of the dollar vis-a-vis foreign currencies would drop sharply. From 1933 to 1941, even to 1949, the world brought us gold indicating, in a way, that it thought $35 an ounce was rather high for gold; since 1949, especially since 1958, they have been taking it away, indicating, in a way, that for the present they think it is too low. But throughout all this, we have had the lion's share of the free world's gold; in the 1940's around 70%; today, about 43%. There has been no need to panic either as gold flowed in or as it flowed out.

You may ask what good it has done us to be on a gold standard. It has not prevented our having some inflation. Not even gold can altogether prevent that. But it has prevented our having as much inflation as many other nations had. Requiring ourselves to hold a certain percentage of gold back of our paper money and of bank deposits limits the amount of bank credit that we can create for bank loans. When we create too much money, the first sign that we have done so is that gold starts to flow out. A heavy loss of gold is like blowing a fuse in your house. It is a warning, in the most sensitive spot, that the currency (like the current) is getting out of order. It is well to have this warning device and to pay attention when we get the warning. Thus far our gold standard, feeble as it is, has done us some good in alerting the public and the government to our monetary mistakes and in thus restraining inflation. Without it the buying power of the dollars in our bonds, pensions, insurance policies, bank accounts and Social Security would be less than they now are.

Historical Background

Down to the Civil War, we were on a bimetallic or two-metal standard of gold and silver, although, first silver, then gold was the more important of the two metals. During the Civil War and for 13 years afterwards, to Jan. 2, 1879, we were on a paper money standard. (During these years there was a Gold Room in the New York Stock Exchange in which gold was traded. Its price fluctuated widely, reflecting the effects of the fortunes of war on our greenback dollar.) The Civil War inflation hurt a lot of people, especially laborers and middle class people, and so in 1879 we came back to a money based on a precious metal. This time we chose gold, much to the annoyance of those who mined silver. That is a story known to many which I shall not go into here. Most major nations of the world were then going onto a gold standard. It was the new monetary fashion. Their number grew from nine in 1873 to 41 in 1912. This was, accordingly, a period of great monetary stability in world history.

During World War I the needs of war led to inflation, often disastrous inflation, in most countries of the world. In 1922 the leading nations held a monetary conference in Genoa and resolved to return to the gold standard again as soon as possible. The gold standard is most popular after a bad inflation, just as a man is readiest to swear off liquor on the morning after. Some nations in the 1920's were in too much of a hurry to get back. Britain was one such; she went back in April, 1925. She had inflated her pound sterling so much during the war that she should have devalued it. But she felt that would be too humiliating. The alternative was to force prices and wages down, but strong unions and conservative manufacturers opposed that. In 1929 world-wide depression set in. In 1931 Britain had to abandon her gold standard. English economists, led by John Maynard Keynes, blamed Britain's troubles on the gold standard although that standard had served England well for 200 years, and not on the government's poor judgment of six years before. Meanwhile the Great Depression had struck the United States too and we soon made the gold standard one of our scapegoats also.

The 1930's

In the spring of 1933 we abandoned our gold coin standard, based then on gold at $20.67 a fine ounce. The government required holders of gold to turn it in and receive paper money in payment. Nine months later we returned to a gold bullion standard, based on gold at $35 an ounce. Gold coins no longer circulated; only foreign treasuries and central banks might demand gold from us. After 1936 no other nation of consequence had even a gold bullion standard. The 4 billion old gold dollars that the Treasury had in 1933 suddenly became $6.8 billion new smaller gold dollars. But the buying power of the dollar did not immediately change. The Treasury had made a $2.8 billion profit, in part by calling in gold.

Both the Great Depression and the Devaluation stimulated gold mining, the Depression by lowering costs, the Devaluation by raising the price paid for gold by 69%. On top of this there was no limit to how much gold the government would take. The yellow metal poured into America from all over the world in a "golden avalanche." A further contributing factor was that Europe and Asia were threatened by war and smart people and governments were sending funds here for safekeeping. By 1941 we had $22.8 billion of gold. During World War II nearly $3 billion left our shores, but afterward it came pouring back, and we reached an all-time high of $24.7 billion on Sept. 21, 1949. Then a recession and Korean War expenditures pulled out about $3 billion a second time in 1950 and 1951. During the rest of the 1950's, down to 1958, gold flowed out in bad times and came back in good times. Yet as recently as three years ago (1958), it was up at $22.8 billion, the same as the pre-World War II high.

Why the Recent Outflow of Gold

In the past three years we have lost $2.3 billion, $1.1 billion and $1.8 billion respectively. We were at $17.7 billion on Dec. 31, and are at $17.4 billion now. What has happened in the 1950s, especially in recent years, to cause this outflow? Let us look at the chief ingredients in our international balance of payments for the answer. During the 11 years, 1950-1960, our average excess of merchandise and service exports over merchandise and service imports, the excess, mind you, was $5.0 billion per year. That sort of situation tends to pull gold towards us. Why didn't it? Because we were doing other things that pushed it out. We made an annual expenditure of $4.7 billion, on the average, for foreign aid. Even so, we were a third of a billion dollars to the good each year, on the average. But there were one or two other important factors to be taken into account. Down to 1956 our investments in foreign nations and their investments were approximately balanced. Consequently, through 1955 gold inflows and gold outflows were never of long duration or great magnitude. From 1956 on, however, American capital invested abroad rose sharply. It was two or three times each year what it had been earlier. It is these heavy investments abroad that made the great change in the situation.

Why have Americans invested so heavily abroad? I think that we may attribute it to the growing investment attractiveness of Europe and to the relatively decreasing investment attractiveness of the United States. Interest rates in every European country except Switzerland have been consistently higher than they have been in this country. The promise of the Common Market for the years to come has recently led to some investment there. But perhaps most of all, free Europe's index of industrial production, according to the United Nations, rose 80% during the 1950s, whereas ours rose not quite 50%. True, Europe, started at a lower level in 1950, but it has been growing faster. Just to cite one good example of what I mean, in 1951 the United States produced 72% of the world motor vehicles; in 1959 we produced about the same number, but that number was by then only 48% of the world's motor vehicles. Our alert industrialists knew that if they were to share in the faster growing world market, they would have to set up plants over there, where labor is cheaper and sometimes more conscientious, customers are nearer and tariffs do not block us.

As for the American side of the picture, look at this. Acording to the National Industrial Conference Board, out of every $1 of national income in 1950, 63.7 cents went for salaries and wages. In 1959 that percentage had risen to 69.3 cents. Meanwhile corporate profits after taxes had fallen from 9.4 cents to 6.1 cents or by one-third. Small wonder that some industries have sought investments where wages are lower, profits are not shrinking and the economy is growing faster. But increasing our investments abroad draws out gold.

Periodic talk that the United States would raise the price of gold has also done something, I suspect, to stimulate gold outflows. Foreign nations which think that this might happen would tend, in their own self-interest, to convert into gold some of the debts that we owe them. Then if we devalue, they reap the devaluation profit, not we. If many foreign nations really suspected that we would devalue, there would be a much greater rush for our gold than there has been so far. Incidentally, the gold has not really flowed out; it has stayed in a deep sub-cellar of the New York Federal Reserve Bank. When France or Italy demands a few millions in gold, workers put the bars on carts and wheel them across the floor from our caged part of the cellar to theirs. It is significant that the free nations of the world have almost half of all their gold here, under earmark.

Adequacy of Our Gold Supply

There are many misconceptions in the public mind about the adequacy of our gold holdings and who has claims on them. There is $41 billion of monetary gold in the free world plus, at a guess, $5 billion more in the Communist world. New gold is being produced at a rate of over $1 billion a year, although not all goes into monetary uses. Of the free world's $41 billion, we have 43%, the International Monetary Fund about 7% and other nations 50% (chiefly Western Germany, Britain, Italy, Switzerland and France). There are two chief claimants on our gold. By law we need about $11.5 billion as a reserve against some $290 billion of currency and bank deposits. This, judged by experience, is quite adequate. In addition, foreign nations hold short-term claims against us of $21 billion. Those short-term liabilities have been the occasion for much scare talk. Yet less than half of them are in the hands of central banks and treasuries who alone may demand gold for them. Let us assume we need a 25% reserve against this $10 billion or $2.5 billion, then the total reserve needed is $14 billion. We have $17.4 billion. We still have a considerable margin of safety although it is high time that we took steps to end the rate of outflow of the last three years.

What is the harm in our gold flowing out? To conservatives, it suggests the possibilities, if continued, of devaluation and inflation. To liberals it means that the government will be under pressure to raise interest rates and perhaps hold down wages. They see this as a policy that will prolong our recession, stimulate unemployment and discourage economic growth. It does not matter which interpretation you accept (I am a conservative); it is bad news to both camps.

The steps so far taken to stop the outflow of gold have been hastily conceived stop-gaps. Secretly Anderson's mission to Germany was not diplomatically prepared; it alarmed people and hurt our prestige there. In my opinion, Kennedy has done well to revoke Eisenhower's morale-damaging order to bring back soldiers' dependents. As for forbidding Americans to hold gold abroad, that will be hard to enforce. Cutting tourists' tariff free import quotas from $500 to $100 will be helpful, but it is petty. It will take time to develop a European tourist business. I approve most of the suggestion that our European friends shoulder more of the foreign aid burden. Yet that gain may be offset by the fact that we shall have to spend more in Latin America. I disapprove of the Multer bill (H. R. 6900) to eliminate the 25% gold reserve back of Federal Reserve notes and deposits. It removes a major reason for having a gold standard. As soon as gold began to flow out again in quantity we should probably decide to stop it to keep the gold, but in doing that we should be abandoning the gold standard.

The root of the matter is rising labor costs and declining business profits, which I already mentioned. This situation is attributable to the fact that we let labor unions have privileges not allowed others; namely to have a monopoly, and some employ violence to maintain it. Oh yes, there are all kinds of unions, good, medium and bad, but it seems there are too many of the bad. On top of that the tax laws allow inadequate depreciation allowances and the higher tax rates are unduly restrictive. These two factors in particular discourage business innovation and expansion; hence economic growth. The same recipe that made us grow in the 19th Century, and has made Western Germany grow in the 1950s, would, if used again, speed up our growth again. It will keep investments here, keep gold here, keep the price level more stable, and give us the more rapid economic growth that we talk so much about. Are we likely to adopt such policies? I fear not in the near future, but we must keep urging them.

Why Not a Higher Price for Gold?

At this point someone may ask, "If you can't lower wages, or prices, any more than England could in the latter 1920s and again in 1948, why not lower the value of the dollar?" That is a temporary and indirect way of lowering prices to foreign customers. Such devaluation means, of course, the oft demanded higher price for gold. If we don't put our finances back in order, we may, sometime hence, wind up doing just that. But that would be only a temporary and a dangerous solution, dangerous for the American public, and quite risky too for the gold mining industry. However, welcome and profitable devaluation might be temporarily in mining communities, it would be a blow to the prestige of the dollar, make no mistake about that. And worse yet, it might end the gold standard in the United States.

There are many economists today who would be glad to be rid of what we have left of the gold standard. They consider it archaic. Its presence gets in the way of their plans. They feel that they can run our money and banking system better without it. Some of these men are important counsellors to our government. A devaluation then might very well raise the question of "Why not eliminate the gold standard altogether?" Presumably we would keep the, say $15 billion of gold that we still had as a treasure chest to be used in emergencies, but the government would cease buying all that was offered and at a fixed price. It would buy when it wished and when the price seemed attractive. Quite likely the price of gold would fall, not rise, when the world's chief customer bought only occasionally. Gold would find itself in the same spot that silver once did. You would thus find that in urging a higher price for gold to solve your mining problems, that you had jumped from the frying pan into the fire. Even at $35 an ounce you have a good thing. In how many industries will the customer take unlimited amounts of the article produced at a set price without dickering? For the record, I should add that there are patriotic reasons for your backing the price of $35 an ounce, but I have elected here to dwell only on the one of self-interest.

What Should Be the Attitude of The Gold Mining Industry

The attitude of the gold mining industry should be to press especially hard to obtain or keep what is both to its interest and to the interest of the general public. Viewed in this light the answers, it seems to me, are fairly obvious. Your attitudes would be of two categories; first, those affecting gold directly; second, those affecting the soundness of our economy. Let us look first at the one affecting gold directly. You would come out strongly in favor of these:

(1) Keep the gold standard with gold at $35 an ounce. You are in an industry "affected with a public interest." Holding the price at $35 an ounce is of great importance to the economic welfare of all Americans.

(2) Press, as soon as practical, for a restoration of gold coins in circulation, as before 1933. This makes it even harder to get rid of the gold standard. In 1933 the government had to call the coins in first to avoid a serious loss. Its cheap money policies became evident to many people. Furthermore, by letting the public demand gold when people become uneasy over spend-thrifty government financial policies, it gives them a check on Washington's easy spending tendencies. This is the way that democracy should work.

(3) Urge other nations to go back to a gold standard, or better a gold coin standard.

(4) Oppose any measures that interfere with the free flow of gold. They are all concealed blows at the gold standard.

As for the important measures affecting the soundness of our economy, you might well favor the following:

(5) Urge a balanced budget. In this connection the President should have the right to veto individual items in the appropriations bill, something he does not now have. We should not vote ourselves reforms, no matter how high sounding, that we are not willing to pay for with higher taxes. A balanced budget will restore confidence in the dollar both at home and abroad.

(6) Press for realistic tax and depreciation laws. It has reached a ridiculous point when businesses have to spend so much time, effort, manpower and thought as they do in dealing with tax problems.

(7) Oppose talk of "We can stand 3% inflation a year since it would be a great stimulant to our economic growth." That is not so on two counts. We can't stand it, and it won't stimulate growth. With a two percent annual inflation, the half life of the dollar is 35 years; with three percent, it is 23 years; four percent, 17 years; and five percent, 13 years. A study in the Federal Reserve Bank of New York *Monthly Review* of August 1959 showed that in the case histories of 16 nations, those with a farily stable price level showed appreciable economic growth and those with sharply rising price levels showed very little economic growth. That is what one would expect. Inflation discourages saving; hence capital formation.

(8) Oppose and expose the use of violence by unions. Why should they be especially privileged to use violence? We live in a democracy where supposedly the rule is government by peaceful persuasion. Take away their use of violence, and their monopoly will collapse.

(9) Keep a watchful eye on your Federal Government's spending proposals. This is true regardless of which party is in power. Congressmen are under greater pressure to spend than to save. Encourage the savers.

Admittedly some of these are prosaic pieces of counsel but they are nonetheless fundamental and true. And if we would only follow them, neither the United States nor the mining industry would have a gold problem or a slow economic growth problem.

*An address by Dr. Kemmerer before the annual meeting of the Colorado Mining Association, Denver, Colo.

Phila. Inv. Women Plan Outing

PHILADELPHIA, Pa.—On Tuesday, June 20, the Investment Women's Club of Philadelphia will hold their annual outing at the Greenbrier Country Club. Officers for the 1961-62 season will be installed at this time. They are Elizabeth A. Booth of A. Webster Dougherty & Co. as President; Virginia Lee of Stroud & Co., Inc. as Vice-President; Katherine Merscher of the Philadelphia National Bank as Secretary and Ruth Moritz of Woodcock, Moyer, Fricke & French, Inc. will be Treasurer.

Committee Chairmen for next season are Cynthia F. Sorrick of Robert Morris Associates—Education; Betty Barber of Butcher & Sherrerd — Entertainment; Anne Cotollessee of the Beneficial Mutual Saving Fund — Membership and Jenny Almlof of Merrill Lynch, Pierce, Fenner & Smith Inc. will be in charge of Publicity.

Arrangements have been made for the group to attend the Playhouse in the Park afterward.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Investigate New Accounts!

It is now a matter of public record that the SEC has obtained a permanent injunction against several financial concerns on the grounds of fraud. These corporations had been operating as bankers for speculators by making loans on securities to certain individuals who were unable to obtain credit from regular sources within the scope of Federal Reserve Board Regulations. It is claimed that one member firm handled $13,398,000 of securities for one of these concerns, another such firm had about $4,500,000 in loans outstanding at the time of the consent decree.

Be on Your Guard

The laws and rules governing the handling of margin accounts are explicit and defined. Every registered representative of a member firm should know the rules and abide by them. He also should be aware of the regulations which place the responsibility squarely on his shoulders for thoroughly checking the business reputation and the character of every new client. The action of many listed stocks on both of the New York exchanges has given experienced traders, and others, reason to believe that not all is without question in this respect. A Congressman has introduced a bill to provide funds for a special SEC investigation to determine the adequacy of existing regulations governing operations of the nation's exchanges.

There is no doubt that many speculators who are only interested in following a fast moving stock, or who may even be involved in a group, or are in one way or another responsible for unusual activity in a security, are moving around the country. Many of them have been using these loan company-stock bankers — to supply them with capital, and often they are only shoe-string operators. If the stock they buy goes up, they take their profit and run; if it should go against them, you may never see them again, or they will swear they never gave you the order in the first place.

Close Call

Here is an example of a typical case and, although I can't prove that there was fraud intended, there is no doubt that the transaction was beyond the confines of Federal Reserve Regulations. Two such speculators began to visit the office of a member firm regularly every day for several weeks. They selected a quiet office where there was not too much trading and business was mostly confined to investment type securities. They eventually made the acquaintance of a registered representative, queried him for reports and quotes and talked about their substantial holdings of various stocks.

One day they asked the representative to get them a market on a very active, listed, stock that had been making new highs on increasing volume for several days. Then they asked if he would buy them a thousand shares. He was by this time sold on their responsibility and had become quite friendly. He opened an account for them and placed an order for the stock. Without checking, and without a substantial cash payment, the stock was bought. They then told him to deliver the stock to a certain Bank in New York against payment. The stock continued to advance and they placed orders for another three thousand shares the next day.

By this time the firm's cashier became suspicious and stated that he didn't believe that this order should be accepted. He pointed out that his firm was in violation of the Stock Exchange ruling that places the responsibility for checking the credit of every new account on the registered representative, and on the managing partner in charge. However, the trade was allowed to go through. The stock was finally delivered and payment was made, but not without considerable worry on everyone's part. Luckily the stock went up. Here is a typical case that could have well resulted in grave consequences for the registered representative as well as his firm.

Federal Reserve regulations specifically prohibit member organizations, their partners, and voting stockholders, from arranging for credit on terms other than those that bind member organizations themselves.

The Stock Exchange has repeatedly warned member firms and their employees to avoid such practices as paying a customer before settlement date, tolerating late delivery and late payment of securities, AND PARTICIPATING IN ANY OPERATION WHICH HAS A POSSIBLE KITING OF CREDIT CONNOTATION. Member firms that do so risk disciplinary action by the Exchange.

A Good Rule to Follow

Don't open an account for anyone unless you have checked references, or have received a substantial deposit of securities, or a GOOD check. Be careful of drifters who come into your office, who spend a few days getting acquainted, and who try to impress you with their desirability as a possible client. Know exactly how and when payment or delivery is to be made. Do this before you place your order. If any facet of the transaction looks suspicious, check it out. If your customer doesn't like it, and tries to hurry you, let him go somewhere else with his business. Remember, you are responsible for losses, and you will have no one to blame but yourself if you get caught by these operators who are now working on the gullibility of unsuspecting, and trusting, registered representatives throughout the country.

Pace College Names David Krell

David Krell has been designated "Alumnus of the Month" for June, 1961, by the Pace College Alumni Association, Richard J. Reynolds, Jr., President of the association, announced.

A partner and controller of Thomson & McKinnon, members of the New York Stock Exchange, Mr. Krell, class of '27, is responsible for the development of financial, cost, and operating reports for the firm.

In addition to lecturing on brokerage accounting and controllership techniques at Pace College and the New York Institute of Finance, Mr. Krell is the author of the chapter on "Security and Commodity Brokerage" appearing in the *Encyclopedia of Business Systems*. He also assisted in the preparation of the accounting textbook, *Security and Commodity Brokerage*.

As a member of the Controllers Institute of America, Mr. Krell acted as a Chairman of the Institute's Management Control Committee. He has also been a member of the Advisory Committee of the New York Stock Exchange for the development of income and expense data on an industry-wide basis.

Financial Problems of Our Senior Citizens

By Dr. James A. Close, *Senior Vice-President and Investment Officer, The Merchants National Bank & Trust Company, Syracuse, N. Y.*

Syracuse banker cites Senate Subcommittee data revealing the financial plight of most of our senior citizens. Among the remedies suggested, Dr. Close would have our savings institutions working through industrial personnel officers enlighten savers on the NYSE Monthly Instalment Plan, variable annuities and short-term trusts, and he calls upon industry to make the retirement age elastic and flexible. To cope with inflation, the banker asks financial institutions to tie their contracts to a cost of living index, and recommends that pension and profit sharing trusts be granted greater leniency as to their equity investment policy.

The financial and economic aspects of our older citizens are rightfully demanding increased attention. I would like to confine my comments to three items.

James A. Close

(1) A brief examination of the present situation concerning the financial and economic aspects of our older citizens. This will enable us to see the problem in its true perspective.

(2) A couple of points to think about.

(3) And lastly, some constructive suggestions, some of which may seem quite startling.

The present situation of our older citizens was well brought out in 1960 when the U. S. Senate Subcommittee on "Problems of the Aged and Aging" made its report. It is necessary to mention briefly some of the data from this and other studies in order that we may think constructively of what may be done to improve the situation.

Today there are in the United States 16.3 million persons aged 65 and over. They comprise about 9% of our total population. The problems of the aged are, however, becoming increasingly serious. By 1980 they will total 24.3 millions and will comprise about 11% of our total population. By contrast in 1900 only 4% of our population was 65 or over. Medical science, improved drugs and health standards have sharply lengthened our life span. In 1790 the median age of American white males was only 15.9 years — by 1950 it had nearly doubled to 30.4 years. As recently as 1900 the average length of life for a white female was 48.7 years—by 1957 it had jumped to 73.5 years. One estimate puts about 19% of our entire population in the 65 and over category in 90 more years.

Inadequate Income

Our Senior Citizens have woefully inadequate financial resources. The Senate Subcommittee report states, "—at least half of the aged, approximately eight million people, cannot afford today, decent housing, proper nutrition, adequate medical care (preventive and acute), or necessary recreation." Look at some of the data!

The median total money income in 1958 for men aged 65 and over was only $1,488. This average includes salaries for those still working but does not include men receiving no income at all. If wages were deleted and if those with no money income were included, the average would, of course, be much less. Actually about 35 to 40% of the total aggregate income of the aged in 1958 was derived from employment.

The figures behind the averages are even more discouraging —9% had incomes of less than $500 about 30% had incomes of less than $1,000. At the other end of the scale only 2.9% had incomes between $4,500 and $4,900; only 2.7% between $5,000 and $6,000 and only 1.8% had incomes of over $10,000.

For women aged 65 and over the incomes were even less. Here the median was only $776 or about half of that of the male.

Another interesting item concerns the sources of this income. The earnings from employment have already been mentioned. In June, 1959 about one-quarter of all persons aged 65 and over were receiving income from employment or were non-working wives of earners. About 19% were receiving income from various government sources such as Veterans Administration, Railroad Retirement Program, etc. When we note that the aggregate income of the aged in 1958 was about $25 to $30 billion, about $10.5 to $11 billion came from various government income maintenance programs.

Our Senior Citizens not only have very low incomes but they also have an outstandingly small accumulation of assets. In 1959 two-thirds of spending units with aged heads had liquid assets of less than $2,000. About two-fifths in both 1958 and 1959 had less than $200 or none at all. In 1959 the median amount of liquid assets of retired heads of spending units was only $500. 73% had no U. S. Savings Bonds, 52% had no savings accounts, and 49% had no checking accounts. The amounts of life insurance held were also small.

In beginning our study of the Economic and Financial Aspects of our older citizens, we need to realize—

(1) That they have inadequate income.

(2) That they have a very small accumulation of assets.

(3) That they are becoming an increasingly larger percentage of our total population.

(4) That their life span is increasing.

Growth of Pension Plans

I feel that this situation is somewhat temporary because of the probable expansion of Social Security benefits and more particularly the increasing coverage for our older citizens by pension and other employee welfare plans. For example, in 1959 the earnings of 71 million persons were subject to Social Security tax and aggregate payments made under old-age, survivors, and disability insurance during 1959 amounted to $10.6 billion compared to only $1 billion in 1950.

The expansion of pension plans is documented by the preliminary report, "Pension and Other Welfare Plans," by George A. Mooney, Superintendent of Banks for the State of New York. This report shows that in 1936 New York Banks were handling 54 pension and other employee welfare funds that had an aggregate value of $296 million. By 1955 these 54 plans had grown to 2,560 and the assets had grown to almost $7½ billion at the end of September 1955. 95% of this increase occurred since 1940 and 64% of the increase since 1950.

A study by the Securities and Exchange Commission showed how the net receipts of corporate pension funds increased about 50% from 1955 to 1959. Net receipts are total receipts from contributions, investment income and capital gains less expenses and benefits paid out. In 1955 net receipts were only $2.1 billion and they increased each year until 1959 when they totalled $3.2 billion.

The 1960 edition of Francis I. duPont and Company's "Graphic Presentation" shows that the number of workers covered by pension funds in 1950 was about ten million but that by 1958 this number had doubled to slightly over 20 million persons. The same source shows that the assets of public and private pension systems in 1950 amounted to less than $40 billion but by 1958 they had soared to nearly $90 billion.

The significance of these and other studies is that a generation from now a larger percentage of our older citizens will have a retirement income provided for them by pension and other deferred profit sharing plans.

The Immediate Problem

The question now is—what can we do to alleviate the problem during the interval until these and other expanded benefits become operative?

The first thing we should think about, and I believe it should be thought through carefully, is what role we want Federal Aid to play. For example, do we want Federal Aid for nursing homes? A recent article in the *Wall Street Journal* regarding nursing homes mentioned that many of the nice new ones cost $750 per month which, of course, makes them completely out of the reach of most older people if we rely on the statistics of the McNamara Report of the Senate Subcommittee.

Do we want Federal Aid for public housing for our Older Citizens?

Do we want Federal Aid for our hospitals? And now that we have the Kennedy Administration, what kind of hospital insurance program are we going to have?

Another factor to note and think about is the growing political power of both organized labor and our Senior Citizens. Both of these factors indicate that increased benefits to people over age 65 will be won either at the labor bargaining table or in our legislatures, or both.

Now let me mention some constructive suggestions that occurred to me and as I stated earlier, some of them may appear quite "wild."

The first suggestion I have to offer is the fact that we need more education on the part of our industrial personnel officers and others who are contacting employees, as to financial planning for the employees. At the present time the flow of personal savings in our economy is at an annual rate of over $23 billion and savings amount to about 7% of Disposable Personal Income. In 1958 the total aggregate income of the aged was about $25 to $30 billion. I think that with the individuals in the country having an annual rate of savings at the present time of over $23 billion, our aged should have a brighter financial picture upon retirement if their savings program were intelligently planned.

Our 16 million aged did not plan to be poor!—they just didn't plan not to be!

Do Savers Know What to Do?

Wherein lies the seeming paradox of a high flow of savings in our economy and yet inadequate income for our aged? One factor, of course, is the fact that the current high level of savings has not been at its present level for very long. Nevertheless, personal savings each year since 1955 have exceeded $23 billion. I wonder if our financial institutions are educating these savers properly on what they should do with their savings. Are the Savings Banks, Commercial Banks, Savings and Loan Associations, Life Insurance industry and the private Pension Plans helping these savers do what is best for them from an overall coordinated point of view? If these savers do not understand inflation—if they do not know the difference between a pension and a profit sharing plan — if they do not know of the Stock Exchange's Monthly Installment Plan for investing as little as $40 every three months in any stock of their choosing—if they are not acquainted with variable annuities, with short term trusts and all the other available facilities—whose fault is it? I would think that the natural liaison officer between the financial community and our workers would be industrial personnel officers. And here we have a big educational job to do.

How many workers, for example, realize that at age 65 a male annuitant may expect to live slightly more than 15 more years? If he is going to spend $400 a month, he will spend a total of $72,000 during his years of retirement. If he spends $600 a month, he will spend $108,000.

Another item about which we need education is the role that annuities should play for our older citizens because here they can purchase a contract which in many cases will give them the largest income because each payment is in part a return of their principal.

Another thing that some companies are doing which I think is constructive is to educate their employees on where to retire from a cost point of view. Many localities, particularly in the South are cheaper places in which to live than some communities in New York State, for example.

Another constructive suggestion is the education of the community as a whole in preventive work such as Syracuse's "Meals on Wheels." This program brings two meals a day to the homes of our older citizens, five days a week. This service costs the recipient $1.25 per day. We have learned that this program precludes malnutrition and keeps many of our older citizens out of our hospitals. But where is the money going to come from to run an agency such as this? This Syracuse, New York operation is currently underwritten for a three-year period by a Foundation and with two exceptions all of the work of the entire program is done by volunteers. If volunteers were not available and if the present grant from a Foundation had not been forthcoming, you could not supply two meals for $1.25 which would mean that most of our older citizens could not participate in this program.

Prefers Flexible Retirement Age

Also, we must teach industry, the community, public service, education, commerce and all of our employers that mandatory retirement at age 65 is not valid. Retirement age should be made elastic and flexible because it is an individual matter, varying from person to person. Furthermore, the increased longevity is giving individuals more productive earning years. In this connection it is interesting that the Social Security Administration interviewed 18,000 retired people and found that only 700 had retired voluntarily!

Another item we need to consider is the fact that our progressive income and Federal Estate Taxes have resulted in a leveling of income and principal among our people. You will recall that in former years many of our colleges received most of their contributions from a few wealthy individuals. The Harknesses, the Carnegies, Dukes and others accumulated their millions prior to progressive income taxes and today colleges are soliciting funds from a large number of small contributors rather than a few large contributors. This change in our income distribution is having a pronounced effect not only on the savings of our economy as a whole but also upon the whole role of private philanthropy. It seems to me that this has not been adequately realized by welfare agencies which rely upon private contributions. Also, from the point of view of our older citizens, it is getting more and more difficult for even the few to retire wealthy now.

Favors Cost of Living Savings Clauses

Another suggestion is to consider the feasibility of having American Financial Institutions tie their financial contracts to a cost of living index. For example, in Finland some bank deposits are tied to a cost of living index so that if the cost of living increases so does your bank balance. We all know what inflation has done to this country, not only in the last 20 years but in the last 200 years. An American Corporation—Rand-Kardex issued some bonds which were payable not in a fixed number of dollars but which had both principal and interest tied to a cost of living index. With a long term trend to inflation having been as persistent and worldwide as it has been, perhaps the availability of some such contracts should be seriously considered here.

In this connection, the October 1960 issue of First National City Bank's Monthly Letter on Business and Economic Conditions had the following little table showing how the investor fared who bought $10,000 par value of U. S. Treasury bonds in May, 1942.

The possibility of further inflation in the years and decades ahead needs to be recognized and considered in our financial planning. At present many of our savings are related to a fixed number

	Interest Income Before Tax	Interest Income After Tax*
Income per annum	$250	$200
Income in 1960 at 2½% expressed in May 1942 dollars	137	110
Income in 1960 at 3½% expressed in May 1942 dollars	192	154
Income received, 18 years to May 1960	4,500	3,604
Income received, 18 years to May 1960 expressed in May 1942 dollars	2,473	1,980
Loss of income from inflation	$2,027	$1,624

*At initial personal income tax rate.

	Principal Value
Face value & cost of original investment	$10,000
Face value of investment expressed in1942 dollars	5,495
Loss in face value from inflation	$4,505
Face value & cost of original investment	$10,000
Recent market value (at 95) expressed in May 1942 dollars	5,220
Loss from inflation and market price depreciation	$4,780

of dollars; savings accounts, life insurance, social security, cash, pension funds, annuities, etc.

Common Stocks in Pension Funds

A last constructive suggestion concerns the investment of pension and profit sharing trusts which as we mentioned above will provide increasingly for the retirement needs of our workers. The Securities and Exchange Commission study released in June of 1960, showed that the assets of non-insured pension funds totalled over $25 billion at book value. The market value at the end of 1959 was over $28 billion. For the country as a whole 43½% of these funds were invested in common stocks. However, the study made by the New York Superintendent of Banks entitled "Pension and other Employee Welfare Plans" showed that less than 42% of the assets of the plans had no general restrictions on investments. As a matter of fact, nearly 49% of the assets were limited to the New York State legal list which meant that a maximum of 35% could be invested in common stocks. One plan had the ridiculous investment restriction of being "restricted 100% to cash."

The New York State Teachers' Retirement Fund is invested nearly 100% in bonds. The Pension Fund of the American Telephone and Telegraph was formerly invested 100% in bonds and I believe at the present time only 10% of its total assets is in common stocks.

The investment record has shown that over a period of years, pension and profit sharing funds do better where a competent trustee is selected and given full investment powers. In many cases, better investments would result if the Trustee had greater investment leniency. This would mean either lower cost for the same benefits or greater benefits for the same contribution to the Fund.

In conclusion, I believe that with our present high level of national income and our present high level of personal savings, it would be possible for our retired workers to enjoy a much better financial and economic status after retirement. The problem it seems to me is primarily one of education of almost all of the parties involved — the worker himself, the personnel officers, our professors, our communities and perhaps, even ourselves.

Central Bank Financial Forum

HARRISBURG, Pa. — A highly successful Financial Forum for Women presented by Central Trust Capital Bank in cooperation with some fifty of the leading women's clubs and organizations of the Greater Harrisburg Area has been concluded. Total attendance at the four sessions was approximately 3,200 or an average of 800 women and men at each.

The Forum was presented as a public service, and was designed to contribute to the financial health of families of the community.

Although developed primarily for women, the Forum sessions were also open to men. In several instances, women guests were specifically urged to bring their husbands for greater mutual understanding of family financial matters.

With R. S. Dickson

(Special to The Financial Chronicle)

CHARLOTTE, N. C. — Dedrick Lunsford is now associated with R. S. Dickson & Company, Inc., Wachovia Bank Building.

NEWS ABOUT BANKS AND BANKERS

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

Theodore G. Kane has been promoted to Assistant Vice-President in the trust department of the **Chase Manhattan Bank, New York,** David Rockefeller, President, announced June 6.

Mr. Kane, who joined the Bank in 1948, was named Assistant Treasurer in 1955 and pension Trust Officer in 1958.

The Bank also announced the appointment of Florence A. White, John K. Daly, and John W. Kastner as personal Trust Officers and Edward T. Ryan as pension Trust Officer. John J. Villafranco was named accounting officer in the Controller's Dept.

Robert F. Hinkley and Charles S. Lawrence III were appointed Assistant Treasurers in the United States Department.

* * *

One of the financial district's long-time residents, the 50-year-old Maiden Lane branch of the **Chase Manhattan Bank, New York,** moved to new quarters at 85 John Street over the week-end.

The entire staff of the Maiden Lane branch, headed by Vice-President Robert Whytock, will shift to 85 John Street. Mr. Whytock has spent seven years at Maiden Lane.

* * *

Irving Trust Company, New York, announces plans to expand its One Wall Street Headquarters Building to occupy the entire Broadway block from Wall Street to Exchange Place.

In announcing this action, George A. Murphy, Chairman of the Board, said that studies of future growth trends indicate that the bank will soon outgrow its Headquarters Building. Therefore, it is planned to construct a major addition to One Wall Street.

The first step in this expansion program was taken with the purchase of the adjoining Hanover Bank property. Architectural studies for the new addition will be undertaken at once. It is contemplated that demolition of the Hanover building will begin in about one year, and the new addition will be completed in early 1964.

* * *

The United States Trust Company of New York has promoted Frederick N. Goodrich and Russell H. Johnson to Executive Vice-Presidents and Jean Mauze to Senior Vice-President according to an announcement June 1 by Hoyt Ammidon, President.

Mr. Goodrich, who has been in charge of the investment division, will assume broader responsibility for the investment programs and policies of the Trust Company. Mr. Mauze will assume direct supervision of the investment division. Mr. Johnson is head of the Bank administration division which includes all operating functions.

George Boyd, has also been elected a Trustee, it was announced June 2 by Hoyt Ammidon, President.

* * *

The Grace National Bank of New York announced the election of William E. Jacobsen as Assistant Cashier.

Mr. Jacobsen joined the Grace Bank on March 3, 1943, in the Clearance Department. Previously he was associated with the **Empire Trust Co., New York.**

* * *

The Bank of New York opened a new office at 360 Park Avenue, the northwest corner of Park Ave. and 52nd Street on June 1.

The office will be managed by Douglas Brown, Jr., Assistant Vice-President, assisted by J. Richard Powell, Assistant Treasurer.

* * *

By a stock dividend **The Winchester National Bank, Winchester, Mass.** increased its common capital stock from $100,000 to $200,000, effective May 23. (Number of shares outstanding 20,000 shares, par value $10).

* * *

Dr. Frank E. Lewis, Chairman of the Board and President of the **Pacific National Bank, Nantucket, Mass.** died on June 1.

* * *

The office of the Comptroller of the Currency on May 24 approved an application of **The Second National Bank of New Haven, New Haven, Conn.** and **The Community Bank and Trust Company, New Haven, Conn.** to consolidate under the charter and title of **"The Second National Bank of New Haven."** The effective date is to be determined.

* * *

William F. Minnick retired on June 1. He was Assistant Vice-President and Manager of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** Manchester Office.

Mr. Minnick began his banking career in 1916 as a bookkeeper with the **Manchester Savings Bank and Trust Company.** He was named Assistant Secretary of that Bank in 1934, a Director in 1940, Assistant Treasurer and Secretary the following year, and Secretary and Treasurer in May of 1946. The Manchester Savings Bank became the Manchester Office of Mellon National Bank and Trust Company in 1951. At this time, was named Assistant Vice-President and Manager of that office.

Robert A. Meyer, former Manager of Mellon Bank's Mount Royal Office, will succeed Mr. Minnick as Manager of the Manchester Office.

* * *

The common capital stock of the **McLachlen Banking Corporation, Washington, D. C.** was increased from $500,000 to $600,000 by the sale of new stock, effective date Feb. 15. (Number of outstanding shares 24,000 shares, par value $25).

* * *

The Johnson County National Bank of Franklin, Franklin, Ind. increased its common capital stock from $50,000 to $200,000 by a stock dividend, effective May 25. (Number of shares outstanding 4,000 shares, par value $50).

* * *

South Chicago Savings Bank, Chicago, Ill. announced the appointment of Herbert Grunnet as Executive Vice-President, James E. Olson as Cashier, Bernard C. Hummel as Vice-President and Trust Officer and James L. Curry as Assistant Trust Officer.

* * *

The common capital stock of **The Drovers National Bank of Chicago, Chicago, Ill.** was increased from $2,000,000 to $2,250,000 by a stock dividend, effective May 22. (Number of shares outstanding 225,000 shares, par value $10).

* * *

By the sale of new stock, the common capital stock of the **American National Bank of North Little Rock, North Little Rock, Ark.** was increased from $350,000 to $500,000, effective May 26. (Number of shares outstanding 25,000 shares, par value $20).

* * *

On May 26 the Office of the Comptroller of the Currency approved an application to merge **The Bank of Waverly, Waverly, Ky.,** with and into **The Morganfield National Bank, Morganfield, Ky.,** under the charter of The Morganfield National Bank and under the title of **"Morganfield National Bank."** The effective date was as of the close of business June 3.

* * *

J. Vincent O'Neill, formerly President of the **Dania Bank, Dania, Fla.,** was elected President of the **Boulevard National Bank of Miami, Fla.**

* * *

The common capital stock of the **Birmingham Trust National Bank, Birmingham, Ala.** was increased from $4,000,000 to $5,000,000 by a stock dividend, effective May 26. (Number of shares outstanding 500,000 shares, par value $10).

* * *

By a stock dividend the common capital stock of **The National Bank of Commerce of Dallas, Dallas, Texas,** was increased from $300,000 to $400,000 and from $400,000 to $600,000 by the sale of new stock, effective May 22. (Number of shares outstanding 60,000 shares, par value $10).

* * *

Santa Fe National Bank, Santa Fe, New Mexico, increased its common capital stock from $400,000 to $500,000 by a stock dividend effective May 22. (Number of shares outstanding 20,000 shares, par value $25).

* * *

United California Bank, Los Angeles, Calif., shareholders approved the merger with the **Bank of Encino,** which has deposits of $18,500,000; the **Southwest Bank in Inglewood,** with deposits of $15,500,000; and the **Farmers & Merchants Bank in Hemet,** with deposits of $5,600,000.

United California Bank, which has deposits exceeding $1,800,000,000 will exchange a total of 148,456 of its capital shares for all outstanding shares of the three institutions. The transaction will increase the number of United California shares to 5,134,327 from 4,985,871. State and Federal regulatory authorities have to approve the merger.

Put & Call Option Course

Col. Homer E. Miller, director of education at the Saul Lerner Co., Inc., 40 Exchange Place, New York City, is conducting a course on put and call stock options at the Wall Street Club. The course consists of four sessions, held on successive Mondays, beginning June 5th, from 8 to 10 p.m., and is open to brokers and the investing public.

Col. Miller will discuss the opportunities for profit in buying and selling options for regularly traded stocks.

Donoghue Named Becker V.-P.

CHICAGO, Ill.—James V. Donoghue has been elected a vice-president of A. G. Becker & Co. Incorporated, 120 South La Salle Street, members of the New York and Midwest Stock Exchanges.

Leonard Joins L. F. Rothschild

CHICAGO, Ill.—Richard J. Leonard has become associated with L. F. Rothschild & Co. as manager of their Chicago office at 231 South La Salle Street. Mr. Leonard was formerly for many years with Harriman Ripley & Co. Incorporated.

W. E. Goerg Opens

William E. Gorge is engaging in a securities business from offices at 122 East 42nd Street, New York City.

MUTUAL FUNDS

BY ROBERT E. RICH

Inside Wellington — II

We set out last week to provide a close-up view of Wellington Management Co., its Wellington Fund, its Equity Fund and its Robert H. Kenmore, a top-flight security analyst. They are worthy of study by everyone associated with the financial community, whether because of livelihood or as investor.

In this second, and concluding, chapter of the Wellington story, we would like to deal with a nagging subject that confronts all people who invest: the new company, the obscure company, the unseasoned company. Many investors, more often than not, resolve the question of whether to buy into one of these companies by deferring a decision. They often live to regret dodging the choice and, on occasion, wind up purchasing the stock long after it has gained widespread public acceptance. Only, of course, by that time the price is 10, 20 and 50 times higher.

Nor is the reason for evasiveness in dealing with the untried hard to find. Listen to Bob Kenmore:

"It is awfully easy for an analyst, already swamped with work, to say 'no' when a new name comes up. As you know, in this business you're very rarely criticized for **not** buying something, even if it **does** go up. But if you do buy it and it goes down, look out!

"So it's always nice and safe to say 'No' on the basis of some preconceived ideas. Well, we at Wellington do not rely on preconceived ideas and we never mind looking off the beaten track for new investment opportunities."

As an example of the Wellington thinking, it is interesting to note that at the close of 1960 the largest unrealized gains in the Wellington Fund was not to be found in such wonder stocks as International Business Machines, Polaroid or du Pont. The largest unrealized gain was in McGraw-Hill Publishing Co.

Sure, everyone knows about McGraw-Hill now. But, as Bob Kenmore tells it:

"That name came up in the early 1950's, when the publishing business was not reputed for its growth potential. But we did some investigating and checking with our consultants and we felt that the company, as a leader in this field, had a very attractive potential with its text books and technical and trade publications."

Management was interviewed, a study was made of the company's plans and only then was the first block of stock purchased. The next year the commitment was increased and Wellington went on to become the largest stockholder in the company with the exception of the McGraw family. Today unrealized appreciation is about $12,000,000 and the stock is selling around 10 times the average cost to Wellington.

Over at Wellington Equity Fund, whose objective is long-term growth of capital through appreciation, they have devised a screening process that is constantly feeding hundreds of new names into a statistical screen to filter out potentially attractive companies. The staff puts the major emphasis on companies with outstanding **sales and merchandising** ability. Kenmore reasons: "We feel that in this next decade the competitive battlefield will put a lot more emphasis on marketing ability as opposed to the more traditional areas of production and manufacturing skills."

At Wellington Equity Fund, says Kenmore: "We do not buy stocks merely because we think their price is going to go up. We buy stocks because we think that their earnings are going to go up."

If there is a better approach to investing, we've never heard of it. As any fund salesman, calling on a prospect who has bought stocks, knows only too well, the woods are full of fellows who bought because they thought the price was going up or were told this by a tipster.

The professional approach of Equity Fund is exemplified by this policy: 89% of the assets are in companies whose future growth rate in net earnings per share it anticipates to be 10% per year or higher—or about two, three times the rate of growth expected for the overall economy.

This, then, is the Wellington story. There is in it much food for thought for the investment fraternity and a practical sales kit for the folks who deal with the public.

The Funds Report

Chase Fund of Boston reports that at April 30 net assets amounted to $38,430,323, equal to $9.38 a share. This compared with $20,728,396 and $6.55 a share six months earlier.

* * *

Guardian Mutual Fund, Inc. reports that at May 31, marking seven months of the fiscal year, net assets were $15,173,204, equal to $23.68 a share, compared with $9,018,414 and $18.58 per share at Oct. 31, 1960, and of the last fiscal year.

* * *

Investors Stock Fund reports net

assets and share values were at new peaks on April 30, end of the first half of the fiscal year. Total assets rose to $831,511,699 from $638,187,751 during the period. Share value climbed to $18.69 from $15.32 on Oct. 31, 1960.

* * *

The Lehman Corp., a leading closed-end investment company, has established an automatic dividend reinvestment plan under which stockholders may purchase additional shares of the corporation through the reinvestment of their dividends, it was announced by Robert Lehman, President. Under the plan, stockholders can automatically invest all dividends in full and fractional shares of Lehman, Mr. Lehman said.

* * *

Niagara Share Corp. reports that at May 31 net assets were $68,449,077, or $25.33 a share, against $61,575,113 and $22.79 per share a year earlier.

* * *

Washington Mutual Investors Fund reports that on April 30, close of the fiscal year, total net assets were $26,586,299, or $10.35 a share. This compares with $18,413,511 and $8.92 a share at April 30, 1960.

Watsco, Inc. Common Offered

Aetna Securities Corp. and associates offered on June 7, 155,000 shares of Watsco, Inc., common stock at a price of $6 per share, marking the first public sale of the stock.

Of the 155,000 shares offered, 135,000 shares are being sold for the company and 20,000 shares for William Wagner, president and director of the company. Following the sale of his 20,000 shares of stock, Mr. Wagner will retain 100,000 shares of the stock.

Net proceeds from the sale of its 135,000 shares of stock will be used by the company for various corporate purposes, including construction of a new building, new machinery and plant equipment and new office equipment.

Watsco, Inc., Hialeah, Fla., is engaged principally in the design and manufacture of refrigeration and air-conditioning component and tools, particularly valves used in refrigerant systems. Sales are made by the company to manufacturers, to about 650 wholesalers located in the U. S., Canada and Mexico and through exporters to other countries.

For the year ended Jan. 31, 1961 the company had net sales of $602,496 and net income of $112,378. Upon completion of the current financing, outstanding capitalization of the company will consist of 275,000 shares of common stock and $53,634 of mortgages payable.

Wm. Pollock Co. Elects Officers

Wm. E. Pollock & Co., Inc., dealers in U. S. Government and Government Agency securities, and underwriters and dealers in state, municipal, revenue and corporate bonds, has announced the election of John B. Hansen and Richard J. Ward as Vice-Presidents, and Thomas P. Byrne and James J. Kelly as Assistant Vice-Presidents.

Headquarters of Wm. E. Pollock & Co., Inc. are at 20 Pine Street, N. Y., and branches are maintained in Beverly Hills and San Francisco, Calif., and Miami, Fla.

R. H. Gendron Opens

ST. PETERSBURG, BEACH, Fla.—Raymond H. Gendron is engaging in a securities business from offices at 450 Ninety-third Ave. He was formerly with Jobin & James Investments, Inc.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

DEPOSIT TRENDS AND BANK EARNINGS

The following represents the breakdown of total deposits in the banking system and the trend of those deposits by Federal Reserve District:

Federal Reserve District:	% Distribution of All Member Bank Deposits 1940	1960
Boston	5.54%	4.06%
New York	36.88	25.40
Philadelphia	6.32	5.06
Cleveland	7.72	7.87
Richmond	3.95	4.55
Atlanta	3.51	5.67
Chicago	14.03	15.13
St. Louis	3.38	3.59
Minneapolis	2.21	2.58
Kansas City	3.60	4.62
Dallas	3.11	5.88
San Francisco	9.75	15.60
	100.00%	100.00%
Class of Bank:		
Central Reserve City	37.25	20.77
Reserve City	35.45	39.65
Country	27.30	39.60
	100.00%	100.00%

Fed. Reserve District:	Order of— Deposit Growth 1950-1960	Pop. Growth 1950-1960	Est. Pop. Growth 1960-1969
Boston	8	11	9
New York	12	7	2
Philadelphia	7	10	12
Cleveland	5	6	2
Richmond	4	5	6
Atlanta	1	9	7
Chicago	6	3	5
St. Louis	9	12	8
Minneapolis	11	8	9
Kansas City	10	4	9
Dallas	3	2	4
San Francisco	2	1	1

Those deposits away from the northeast have increased their percentage of the deposits in the banking system in the period 1940-1960. As to class, Central Reserve City Banks (New York and Chicago) have showed the greatest loss of their share of deposits, with a corresponding gain occurring in country banks.

As to actual deposit growth, the largest increase occurred in the Atlanta District (68%). This was followed by San Francisco (53%) and Dallas (42%). In general, population had the greatest increases in these areas in the same period. Population estimates for this decade continue to favor the same areas with the exception of the New York District. Population estimates for New York City, however, are slight. The largest population increases will occur in the New York metropolitan areas with corresponding deposit increases in suburban banks. Although the recent legislation permitting extension of branching of New York City banks should allow them to participate in the suburban deposit growth, it is apparent that branching will move slowly, and as yet it may not extend beyond Westchester and Nassau Counties. Much of the population growth in the Second District will naturally occur in New Jersey, Suffolk County, and in southern Connecticut.

In the post World War II period, banks have gradually increased their loans to the point where they represent from 50 to 60% of deposits. Naturally the return on loans is greater than that on government bonds, hence bank earnings have shown substantial growth. In the period 1954-1960, New York City banks had an increase in earnings per share of approximately 75%. Western and Southeastern banks had a smaller increase with a few notable exceptions (Valley National Bank). The significant factor regarding earnings in this latter postwar period is the consistent increase in earnings of these banks as compared with the increase in earnings of New York and Chicago banks. This may be best illustrated by a comparison of the increase in earnings per share of New York banks in 1959 over the previous year. On the average, the earnings for New York banks increased 13%. In 1960, earnings increases amounted to 25-30%. So far in 1961, with first quarter results now available, earnings are off aproximately 7%. In this same period, 1958-1960, Security-First National Bank (Los Angeles) has shown a consistent increase in earnings of approximately 20% each year with no anticipation of decline in earnings for this year.

With the shifts in population and deposits, the banks in gaining areas are bound to benefit more over the long run. The New York and Chicago banks tend to have larger loans relative to deposits (60% or more). Banks such as the Security-First National have loan ratios of 50%. With the ability to increase deposits and the loan ratio, earnings increases can not help but be greater over the long run.

Although New York State has lifted some restrictions on branching, the opportunities for expansion will be slow. The other Central Reserve City (Chicago) is affected by Illinois law whereby no branching is possible. The western states generally permit state-wide branching. Much has been done in California, Washington, and Arizona to develop this opportunity, and much of the cost has already been absorbed with branches now in the growing suburban areas.

The outlook for bank earnings in 1961 appears favorable with improving economic conditions. A substantial increase in loans is possible, and recent rumors point to an increase in the prime rate. All banks will benefit, but those away from New York and Chicago should show better performances for the year. In spite of a drop in earnings for New York City banks so far in 1961, bank stock indices show continued "highs." On the basis of earnings per share for 1961, these banks are selling at high multiples. Bank stocks of those banks in the growing areas continue to rise but are not selling at historical high multiples of earnings.

AS WE SEE IT

Continued from page 1

one would doubt that wheat is a useful commodity, or corn or peanuts or any of the other ordinary farm crops. Yet would he regard the production of all the wheat, corn and the rest that we could manage—or even all that we could produce without sacrifice of other economic activities now being carried forward — as an economic blessing?

How About Housing?

No one doubts for a moment that good residential housing as such is a useful product — when there is any one who would or could make use of it—but even the Administration is beginning to see that it is quite possible in current circumstances to use manpower and materials in the production of dwellings that could not at this moment be distributed to families who could have any hope of paying for them. A list of things that we could now produce in greater abundance but which would be a drug on the market if produced would be a long one. Some of them, like farm products, could be produced in superabundance without limiting output in other branches of industry.

Evidently much more than total economic capacity or total economic production must be taken into consideration when economic goals or ideals are formulated. There is a great deal of talk in Washington these days about investment in production facilities, but no one seems to realize that such investment could well be like pouring money (or rather manpower and resources) down a rat hole if the wrong sort of other capital goods were brought into being. It might be even more damaging to us to have this happen than to have overproduction of consumer goods. We can not bring ourselves to believe that such facts as these are not familiar to the Chairman of the President's Economic Advisers. Yet we must say that we search what he has to say in vain for evidence of such a realization, and we must add that the various programs, or many of them, that the President has proposed, and are so artfully defended by Mr. Heller, seem to have been conceived and formulated without giving such matters a single thought. We can only suppose that the assumption is that somehow the "right things" would be produced. But the only assurance we know of that such would be the case is the presence of free markets generally—markets wholly free of intermeddling by government—and such markets we do not have, and apparently are not in contemplation.

$40 Billion to the Moon?

There is good reason for General Eisenhower — and the rest of us, for that matter —to grow uneasy about this evident tendency in the Kennedy Administration to think that every economic ill can be cured by large Federal outlays. The recommendations of the President when added up would entail very substantial increases in expenditures at the expense of the taxpayer. Much more that he has said and advocated could be achieved only at much larger expense in the future than precise estimates indicate. There have been "leaks" or "inspired stories" which speak of some $40 billion to be spent in the current decade in an endeavor to send men to the moon and bring them back. Just what standing this suggestion has with the powers that be we are not in a position to say, but it is evident that it is in keeping with much that has been officially said in recent months.

The chief Presidential adviser says that we now know how to promote the greatest possible sound growth, and we should not lose any time in making use of that knowledge. Of course, we know how to do it, and have known it for more than a century and a half. The danger is that we seem to be forgetting what we once knew so well, and there is disturbing evidence that the Washington authorities have been particularly forgetful. The best formula for the purpose was published in the year of our Declaration of Independence. It has been republished and quoted times without number —more than once in this space — but circumstances seem to suggest that it needs again to be brought to the attention of the forgetful. Here it is as given in *"The Wealth of Nations"*:

"All systems either of preference or of restraint, therefore being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man or order of men. The sovereign (i.e. government) is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society."

Changes have occurred since 1776, of course, some of them requiring at least partial exceptions to this general rule—the rise of the so-called natural monopolies, for example—but the precept still stands unassailable. Let us remind ourselves of it again and again.

Waldmann Named By New York Municipal Forum

George R. Waldmann, manager of the New York Bond Department of the Mercantile Trust Co., of St. Louis, has been nominated for

J. C. L. Tripp George R. Waldmann

the office of president of the Municipal Forum of New York for the fiscal year 1961-62 to succeed Eugene A. Mintkeski, treasurer of The Port of New York Authority.

Jerome C. L. Tripp, president of Tripp & Co., has been nominated for the vice-presidency. Winthrop S. Curvin, vice-president of Smith, Barney & Co., Inc., has been named secretary; Truston B. Pratt, Jr., assistant vice-president of Bankers Trust Co., treasurer; and Archibald N. Galloway, partner in Sykes, Galloway & Dikeman and Alan N. Weeden, vice-president of Weeden & Co., Inc., directors.

Election of officers and governors, and action on other business, will take place on Friday, June 23 at 12:15 p.m. at the Lawyers Club.

N. Y. Inv. Assn. To Hold Outing

The Investment Association of New York will hold its fifteenth annual field day Friday June 16th at the Sleepy Hollow Country Club, Scarborough - on - Hudson, New York. Peter P. Wiley, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chairman of the Entertainment Committee, has announced that an active and interesting program has been planned for the day and evening.

Reservations should be made with Richard W. Goss II, Merrill Lynch, Pierce Fenner & Smith, Incorporated. Tariff for dinner is ten dollars.

Those planning to enter the Golf tournament should send in reservations, indicating handicap, to William H. Black, Morgan Stanley & Co., Chairman of the Golf Committee. Other members of the Committee are Shepard W. Baker, Morgan Stanley & Co.; John E. Eckelberry, Clark, Dodge & Co.; and Henry F. Willems, Hornblower & Weeks. There is no entry fee for the tournament, but a greens' fee of six dollars is payable at the first tee.

A doubles' tennis tournament will also be held. Entries should be made with Thomas A. Turley, Harris, Upham & Co., Chairman of the Tennis Committee. There will be a $3 fee per person for the use of the courts.

G. R. Burt Opens

LAKELAND, Fla. — George R. Burt is conducting a securities business from offices at 106½ North Tennessee Avenue under the firm name of George R. Burt and Company.

Form Cons. Securities

LITTLE ROCK, Ark. — Consolidated Securities, Inc. is engaging in a securities business from offices at 2801 West Roosevelt Road. Officers are Rewel W. Butler, president; Eugene E. Sloan, chairman of the Board; Ralph G. Graham, vice-president; and E. M. Gray, secretary-treasurer.

Form G & H Securities

MIAMI, Fla.—G. and H. Securities Inc. is engaging in a securities business from offices at 8850 Southwest 18th Terrace. Officers are Warren W. Goldsmith, president; Philip Cook, vice-president; and Herbert L. Heiken, secretary-treasurer.

Purcell Co. to Admit Partner

Purcell & Co., 50 Broadway, New York City, members of the New York Stock Exchange, on June 15th will admit John K. Harden to partnership.

V. K. Osborne Appoints N. Y. Mgr.

Eugene Berkowsky, formerly associated with Hill, Darlington & Grimm, has been appointed Manager of the New York Office of V. K. Osborne & Sons, Inc., 40 Exchange Place.

Murch & Co. Names String V.P.

CLEVELAND, Ohio — Murch & Co., Inc., Hanna Building, members of the New York Stock Exchange, will elect Ralph E. String vice-president of the firm effective June 12th.

Nemrava Co. Opens

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Nemrava & Company has been formed with offices in the Guaranty National Bank Building to engage in a securities business. Officers are Fred Hoerner, president; Glenn A. Allred, vice-president; and Steve M. Nemrava, secretary-treasurer. Mr. Nemrava was formerly with Purvis & Company.

R Mutual Fund Servicing

BOSTON, Mass. — Charles H. Mack is conducting a securities business from offices at 131 Park Drive under the firm name of R Mutual Fund Servicing.

Concentrated Course Offered To Securities Trainees

WASHINGTON, D. C. — The Investment Bankers Association of America and the New York Stock Exchange are cooperating in offering a concentrated five-week program of two courses for trainees in the securities business from July 30 to Sept. 2 at Northwestern University, announced George A. Newton, IBA President and Partner, G. H. Walker & Co., St. Louis. Members of the Association and the New York Stock Exchange may enroll their employees for the full program, or either of the two courses: Fundamentals of Investment Banking and Stock Exchange Operations.

The first course, Fundamentals of Investment Banking, is being offered for the third time on a concentrated four-week classroom basis from July 30 to Aug. 25. Inaugurated by the IBA in 1946, this course has since been offered each year as a seventeen-week program in cooperation with the School of Business, Northwestern University. The course will be taught by Professors Harold W. Torgerson and Bion B. Howard with the assistance of other faculty members in the Northwestern Finance Department.

Fundamentals of Investment Banking is designed primarily to give investment banking trainees an intensive basic indoctrination so that they may become integrated into the business much more rapidly. The following topics will be covered in detail:

Economics of Investment Banking.
How to Read Financial Statements and Corporate Reports.
The Instruments of Investment Banking.
Basic Concepts of Investment Yield.
Special Financial Problems of the Corporation.
Analysis of Major Classes of Securities.
Marketing of Securities.
Investment Policies and Programs.

Various supplementary addresses will also be given by prominent investment bankers on these specialized aspects: U. S. Government Securities; Municipal Financing; Securities Merchandising; Securities Salesmanship; Securities Analysis; Institutional Investment Policies; and other selected topics.

The second course, Stock Exchange Operations, will be offered from Aug. 26 to Sept. 2. This course was established at Northwestern University in 1958 by the members of the New York Stock Exchange and administered by the Education Committee of the Central States Group of the IBA. It is now being offered for the first time as a part of this concentrated summer program. Professor Loring C. Farwell of the Northwestern School of Business will teach this portion of the dual program. Experienced speakers on various phases of stock brokerage will be used to supplement his instruction.

Stock Exchange Operations is designed to acquaint the registrant with the rules, practices and procedures of the organized exchanges, with particular reference to the New York Stock Exchange. It also covers the regulations of the Securities and Exchange Commission and the National Association of Securities Dealers pertaining to market and brokerage office procedures, and emphasizes sound business practices essential to good brokerage-customer relationships. Specific topics covered are:

Securities and Security Markets.
Constitution and Rules of the New York Stock Exchange.
Listing Requirements of the New York Stock Exchange.
Stock Exchange Procedures.
Stock Delivery and Transfer.
Broker-Customer Relationships.
Protection of Customers.
Other Security Markets.
Current Problems of the Securities Business.

These two courses running consecutively provide an excellent and economical program for training new personnel, either men or women, according to Robert Mason of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chicago, Chairman of the IBA Education Committee. Trainees will live, have meals, and attend classes in a new dormitory on the Evanston Campus.

Enrollment in both courses will be limited to 80 registrants. Either course may be taken individually, but employees of Stock Exchange members will benefit most from taking both. The tuition charge of $475 for the Fundamentals course and $150 for the Stock Exchange Operations course covers all costs of instruction, room, meals, text materials, and notebooks.

Applications for both courses should be sent to the IBA Washington office accompanied by remittance in full. An Announcement Folder and additional information about these courses may be obtained from:

Education Committee
Investment Bankers Association of America
425 Thirteenth Street, N. W.
Washington 4, D. C.

While these course are offered primarily to train employees of IBA members and New York Stock Exchange members, others will be admitted if facilities permit.

Joins Shearson, Hammill

CHICAGO, Ill.—Martin R. Goldstein is now affiliated with Shearson, Hammill & Co., 111 West Monroe Street. He was formerly with Irving Weis & Co.

Forms Ira David Co.

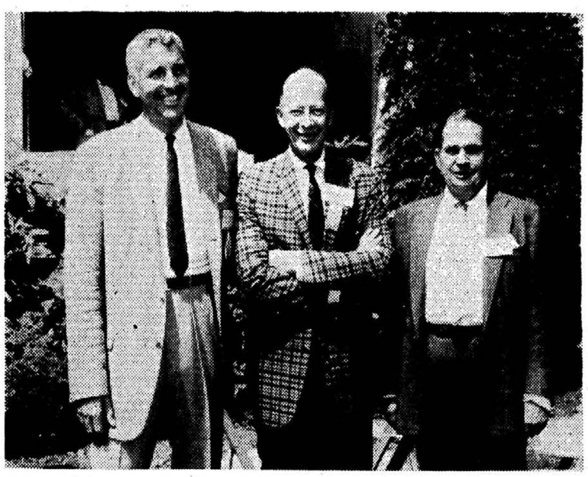
LITTLE NECK, N. Y.—Max Levine is engaging in a securities business from offices at 6054 Little Neck Parkway, under the firm name of Ira David & Company.

The Bond Club of New York

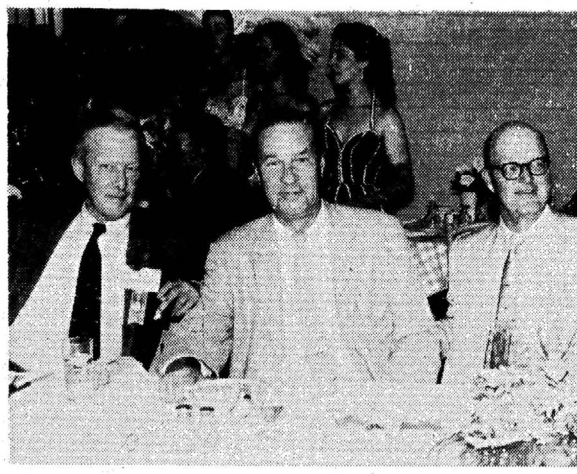
Carl Stolle, *G. A. Saxton & Co., Inc.;* Austin Patterson, *First Boston Corporation;* F. Brent Neale, *Lehman Brothers;* Chas. M. Litzel, *White, Weld & Co.;* Raymond W. Pyle, *Bacon, Whipple & Co.*

Maitland Ijams, *W. C. Langley & Co.;* Lee Prather Stack, Jr., *Bankers Trust Company;* Ernest W. Borkland, Jr., *Tucker, Anthony & R. L. Day.*

William Chappell, *First Boston Corp.;* Paul Devlin, *Blyth & Co., Inc.*

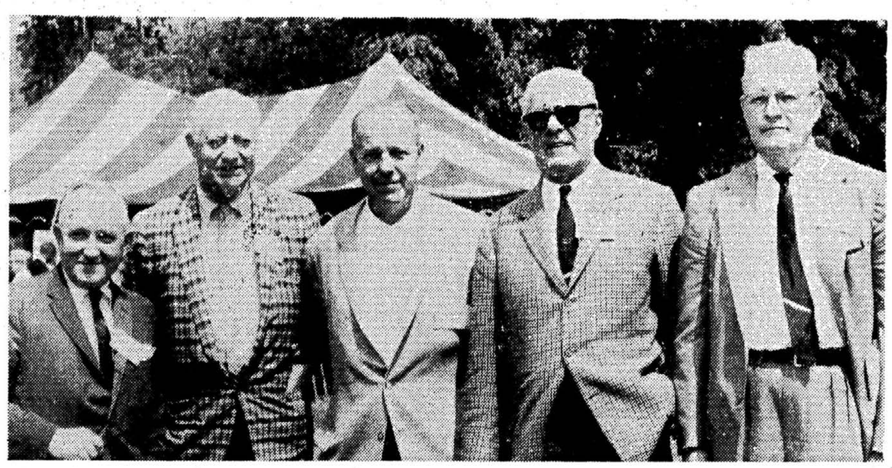


Robert M. Gardiner, *Reynolds & Co.;* B. J. Borkland, *Tucker, Anthony & R. L. Day;* John C. Maxwell, *Tucker, Anthony & R. L. Day*

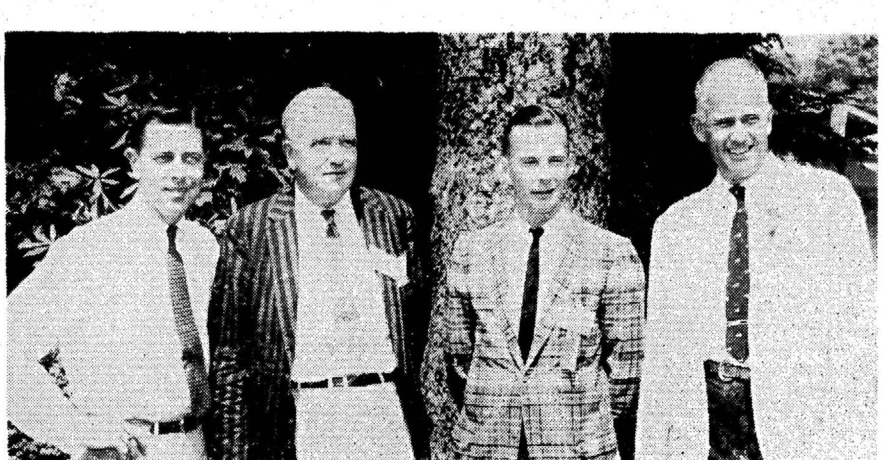


William B. Chappell, *First Boston Corporation;* Earl K. Bassett, *W. E. Hutton & Co.;* David B. McElroy, *Clark, Dodge & Co., Inc.*

W. Scott Cluett, *Harriman Ripley & Co., Incorporated;* Jacob C. Stone, *Asiel & Co.;* Ray Stitzer, *White, Weld & Co.;* Clarence W. Bartow, *Drexel & Co.*



William E. Bachert, *The Bank of New York;* George Nelson, *Gregory & Sons;* Frank Lucke, *Laidlaw & Co.;* H. Albert Ascher, *Wm. E. Pollock & Co., Inc.;* Darnall Wallace, *Bache & Co.*

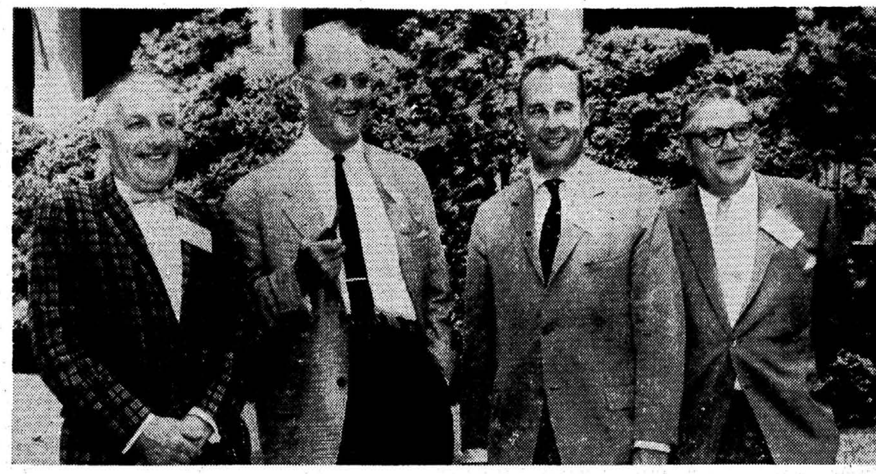


Bob Seebeck, *Smith, Barney & Co.;* John H. Curran, *Van Alstyne, Noel & Co.;* Edward B. de Selding, *Spencer Trask & Co.;* Worthington Mayo-Smith, *Blair & Co., Incorporated*

John Linen; David Callaway, *First of Michigan Corporation;* August F. Huber, *Spencer Trask & Co.;* Robert L. Harter, *First Boston Corporation;* Albert B. Hager, Jr., *Halsey, Stuart & Co., Inc.*

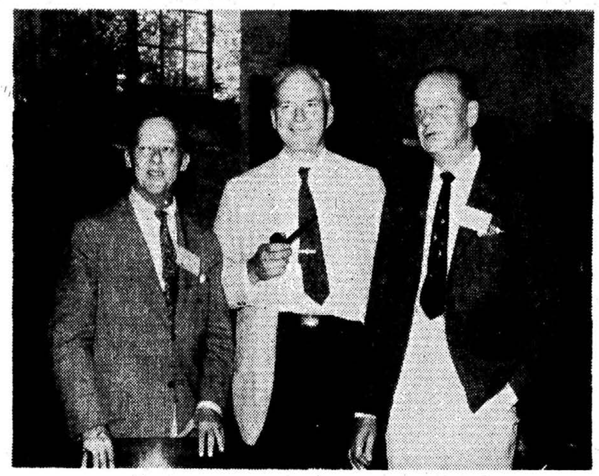
37th Annual Field Day

Edwin A. Clarke, *Singer, Deane & Scribner;* C. Edward Grafmueller, *Pyne, Kendall & Hollister;* Joshua A. Davis, *Blair & Co., Incorporated;* Malon S. Andrus, *Malon S. Andrus, Inc.*

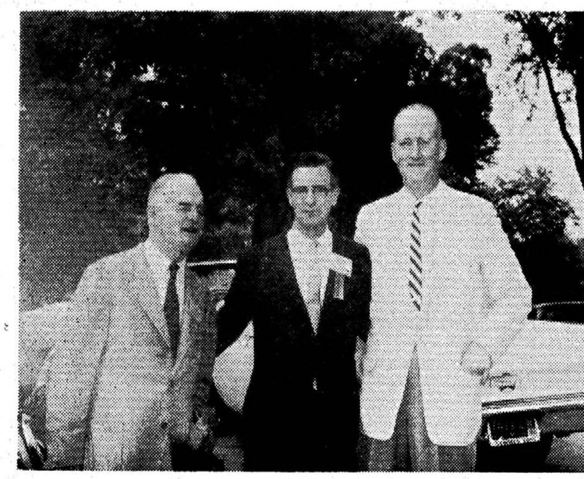


Allan C. Eustis, *Spencer Trask & Co.;* Ralph C. Sheets, *Blyth & Co., Inc.;* Edward Glassmeyer, *Blyth & Co., Inc.;* Brittin C. Eustis, *Spencer Trask & Co.*

Hal E. Murphy, *Commercial & Financial Chronicle;* Edwin L. Beck, *Commercial & Financial Chronicle*

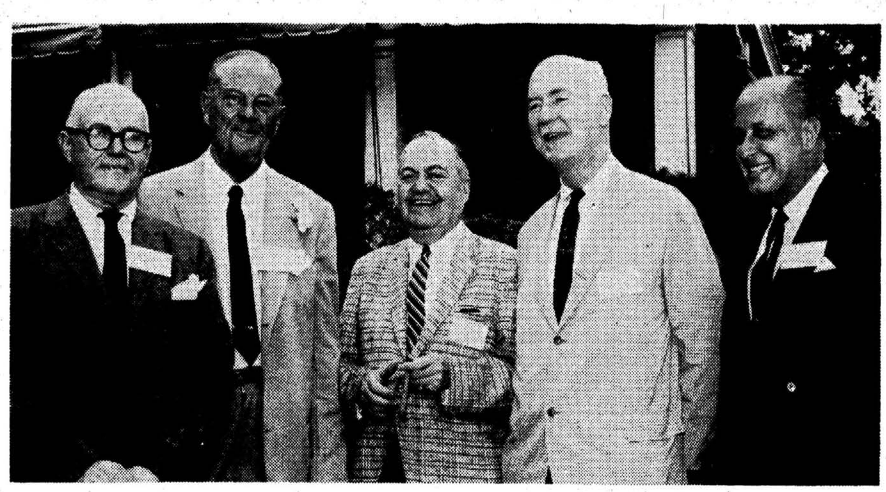


Francis D. Bartow, Jr., *Bartow Leeds & Co.;* Francis B. Bowman, *The Chase Manhattan Bank;* Edward S. Johnston, *Wood, Gundy & Co., Inc.*



Walter F. Blaine, *Goldman, Sachs & Co.;* John M. Lokay, *Shearson, Hammill & Co.;* Kenneth J. Howard, *J. A. Hogle & Co.*

W. Laud-Brown, *Bankers Trust Company;* David Skinner, *Harriman Ripley & Co., Incorporated;* E. B. Vinson, *De Haven & Townsend, Crouter & Bodine;* John McMaster, *Great American Insurance Co.*



F. A. Willard, *Reynolds & Co.;* William S. Wilson, *Montgomery, Scott & Co.;* George P. Rutherford, *Dominion Securities Corporation;* Francis P. Gallagher, *Kidder, Peabody & Co.;* Donald S. Stralem, *Hallgarten & Co.*

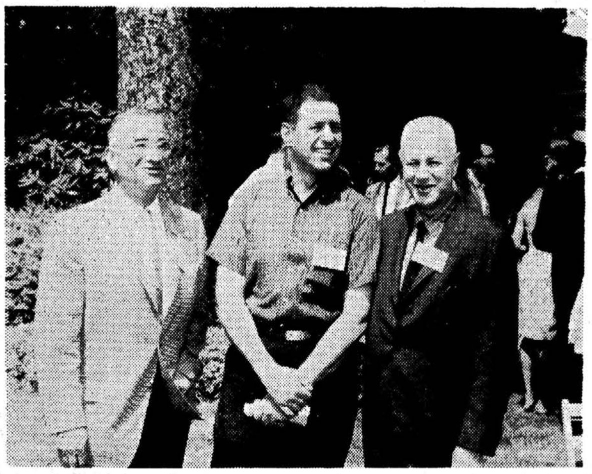
T. H. Choate, *White, Weld & Co.;* William E. Hutton, *W. E. Hutton & Co.;* Joseph A. Thomas, *Lehman Brothers;* H. Lawrence Bogert, Jr., *Eastman Dillon, Union Securities & Co.*

Donald D. Mackey, *Dominick & Dominick;* Belmont Towbin, *C. E. Unterberg, Towbin & Co.;* Thorburn Rand, *Rand & Co.;* George C. MacDonald, *McLeod, Young, Weir, Incorporated*

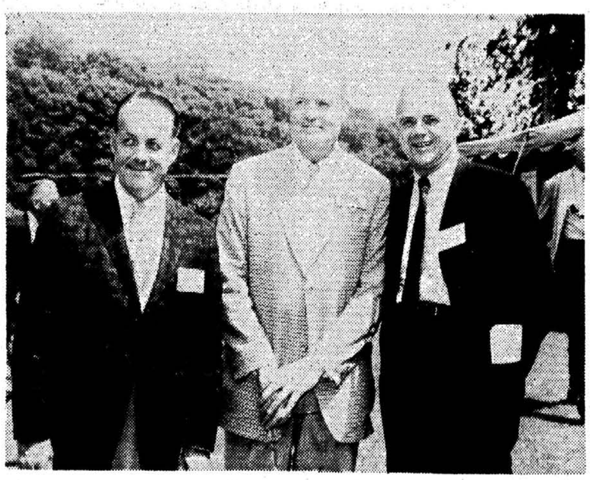
At Sleepy Hollow Country Club

John L. Weinberg, *Goldman, Sachs & Co.*; Richard N. Beaty, *Carl M. Loeb, Rhoades & Co.*; Blancke Noyes, *Hemphill, Noyes & Co.*; John F. Bryan, *Reynolds & Co.*

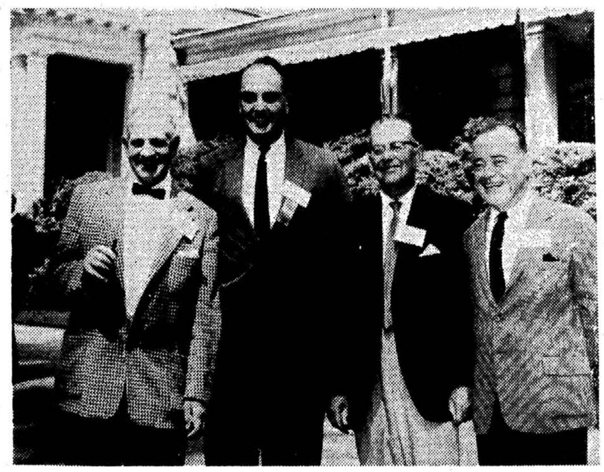
William H. Long, *Doremus & Co.*; Elmer F. Dieckman, *Glore, Forgan & Co.*; Fred McLellan, *Kidder, Peabody & Co.*; Lee W. Carroll, *Lee W. Carroll & Co.* (Newark, N. J.)



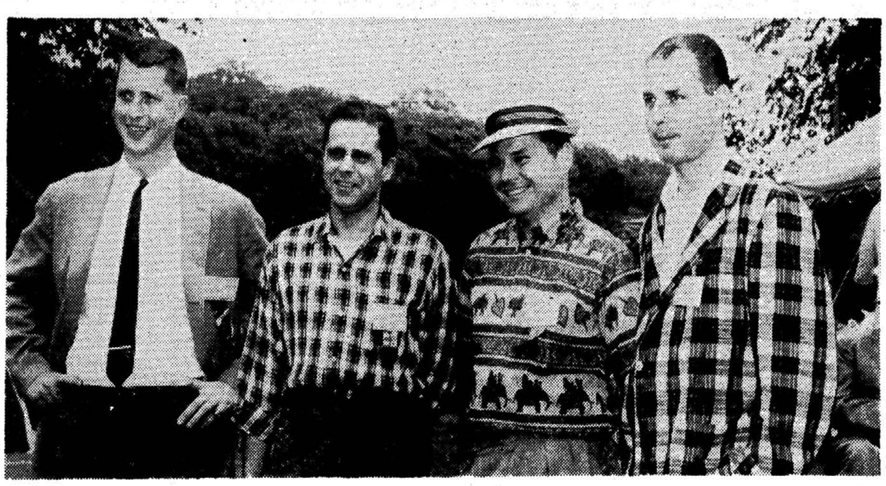
John Wasserman, *Asiel & Co.*; Rodney Boynton, *Stone & Webster Securities Corporation*; Jonas H. Ottens, *Salomon Brothers & Hutzler*



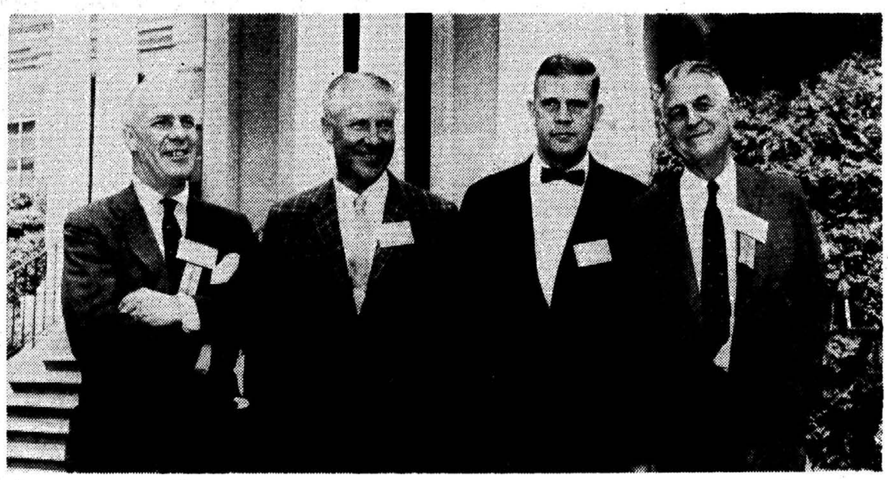
Fred Stone, *Marine Trust Company of Western New York*; Wm. H. Morton, *W. H. Morton & Co., Incorporated*; William D. Kerr, *Wertheim & Co.*



Edward H. Robinson, *Schwabacher & Co.*; John T. Monzani, *Kuhn, Loeb & Co.*; Titus W. Fowler, *Merrill Lynch, Pierce, Fenner & Smith Incorporated*; Brooke L. Wynkoop, *Fahnestock & Co.*



Frederick S. Wonham, *G. H. Walker & Co.*; Lewis M. Weston, *Goldman, Sachs & Co.*; Herbert W. Marache, Jr., *Granbery, Marache & Co.*; William T. McIntire II, *R. S. Dickson & Co., Inc.*



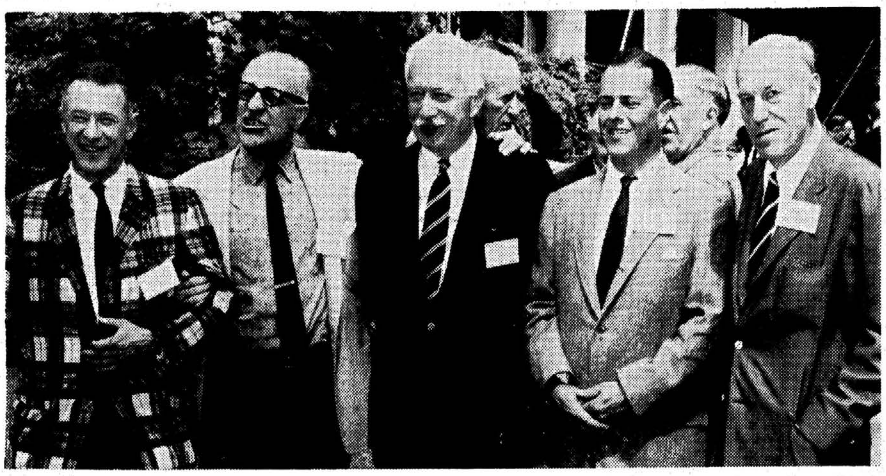
E. F. Peet, *Burns Bros. & Denton Inc.*; Homer O'Connell, *Blair & Co., Incorporated*; Braman B. Adams, *Adams & Peck*; Calvin Cross, *Hallgarten & Co.*

L. M. Blancke, *Hemphill, Noyes & Co.*; Francis J. Cullum, *W. C. Langley & Co.*; William M. Cahn, Jr., *Halle & Stieglitz*; Louis F. Wade, *Dominion Securities Corporation*; George C. Bradey, *Evans & Co., Incorporated*

Craig Severance, *F. Eberstadt & Co.*; Harold McGay, Jr., *McDonnell & Co., Incorporated*; Andrew W. Eberstadt, *F. Eberstadt & Co.*; Everett G. Henderson, *U. S. Trust Company*; James W. Wolff, *Zuckerman, Smith & Co.*

Friday, June 2, 1961

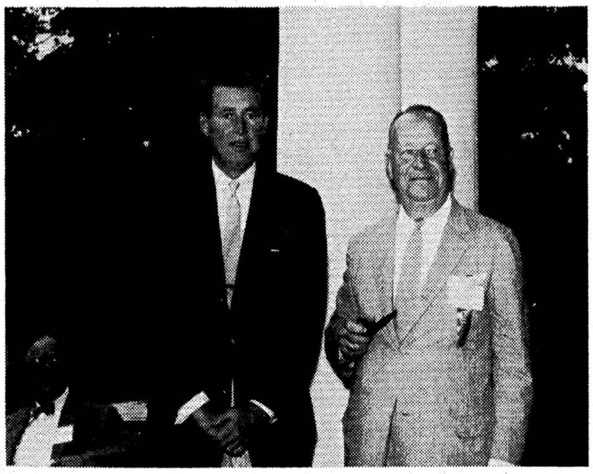
William H. Culbertson, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Roger T. Gilmartin, *Morgan Stanley & Co.;* V. Theodore Low, *Bear, Stearns & Co.;* William N. Bannard, *American Securities Corporation*



John K. Hopper, *First of Michigan Corporation;* B. W. Pizzini, *B. W. Pizzini & Co., Inc.;* John McG. Dalenz, *Calvin Bullock Ltd.;* Philip K. Bartow, *Drexel & Co.;* Henry P. Cole, *L. A. Mathey & Co.*

Samuel R. Winslow, *Winslow, Cohu & Stetson, Inc.;* Norman P. Smith, *Merrill Lynch, Pierce, Fenner & Smith Incorporated*

Paul L. Sipp, Jr., *Stern, Lauer & Co.;* John C. Fitterer, Jr., *Wertheim & Co.;* Charles V. Smith, *Clark, Dodge & Co., Inc.*



Francis Cunningham, *Kidder, Peabody & Co.;* John Gaerste, *Cooley & Company*

Eugene G. McMahon, *J. Barth & Co.;* Gene Marx, *Bear, Stearns & Co.;* David Larson, *Brown Brothers Harriman & Co.;* Charles Bergmann, *R. W. Pressprich & Co.*

Frank King, *First Boston Corporation;* Albert C. Purkiss, *Walston & Co., Inc.;* A. Peter Knoop, *Auchincloss, Parker & Redpath;* Richard Boesel, Jr., *Hayden, Stone & Co.*

Glenn Hartranft, *Clark, Dodge & Co., Inc.;* Robert R. Krumm, *W. H. Morton & Co., Incorporated;* Norman W. Stewart, *F. S. Smithers & Co.;* Joseph S. Nye, *Nye & Whitehead;* Thomas D. Mann, *Glore, Forgan & Co.*

Charles M. Eckert, *Morgan Guaranty Trust Co.;* Macrae Sykes, *Shields & Co.;* George Murnane, Jr., *Lazard Freres & Co.;* Arne Fuglestad, *Lee Higginson Corporation;* Joseph C. Nugent, *Mabon & Co.;* John Clapp, *R. W. Pressprich & Co.*

Nat Nast, Inc. Common Offered

The initial public offering of 150,-000 shares of Nat Nast, Inc. class A common stock, at a price of $4 per share, is being made by an underwriting group headed by Hardy & Co. Net proceeds from the financing will be used by the company to expand its manufacturing facilities, increase working capital, and to introduce new lines of apparel for recreational markets.

Nat Nast, Inc., Kansas City, Mo., presently manufactures a complete line of men's, ladies' and children's bowling shirts and blouses under the "Nat Nast" and "Swingster" brand names. The company's distributors sell to sporting goods stores, men's and ladies' specialty shops, and professional bowling shops. These outlets in turn sell the shirts to teams or team sponsors, who generally provide their teams with shirts or uniforms complete with lettering and advertising insignia. The company intends to begin manufacturing bowling slacks, bowling skirts, Little League uniforms, sweat shirts, T-shirts, gym clothing and bowling accessories.

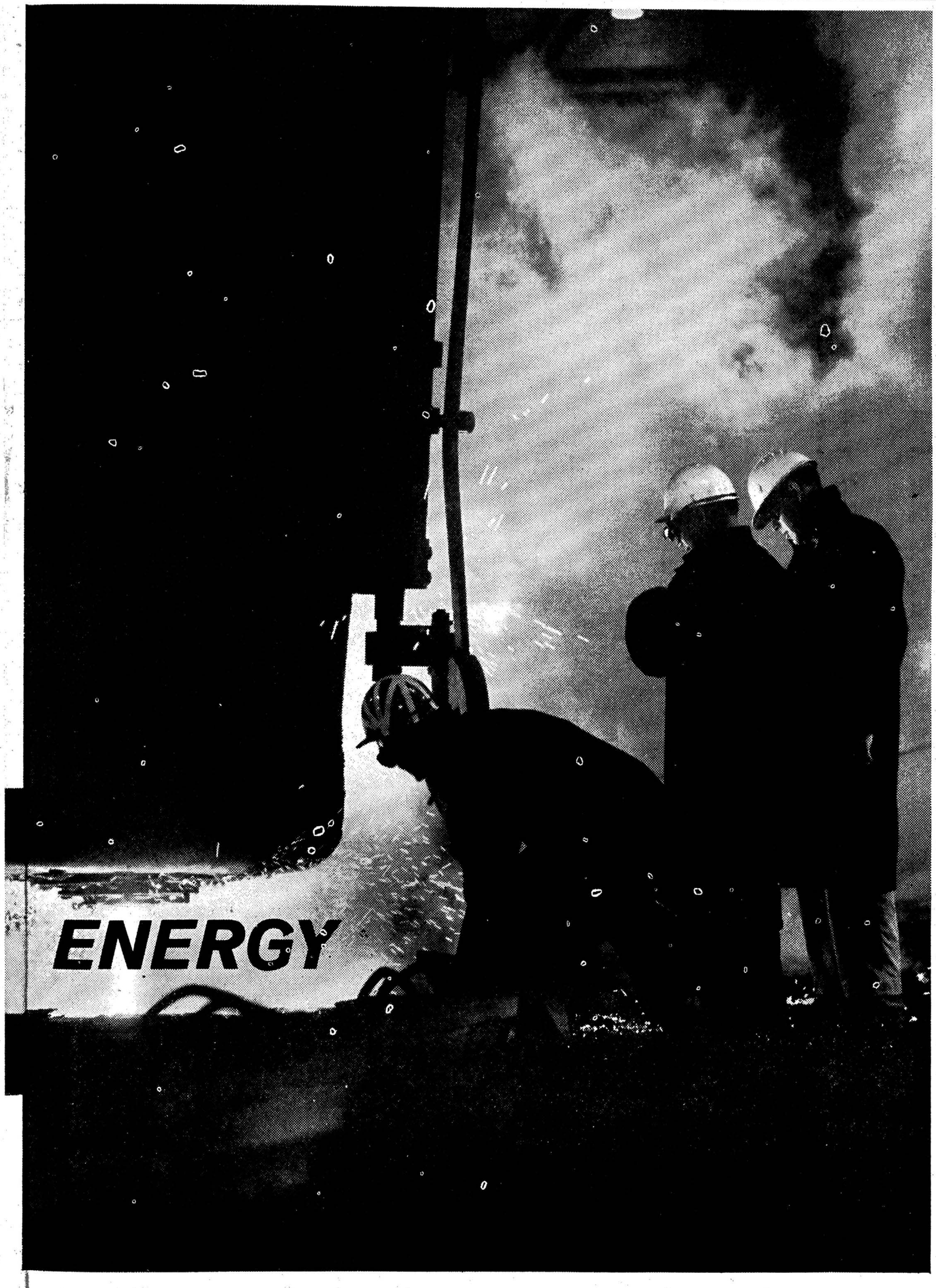
For the year 1960, Nat Nast, Inc. reported net sales of $1,985,235 and net earnings of $122,272, equal to 54 cents per share. In its first quarter ending March 31, 1961, sales totaled $545,182 and profits after taxes reached $45,169 or 20 cents per share. Upon completion of current financing, outstanding capitalization of the company will consist of 150,000 shares of class A and 225,000 shares of class B common stock; $83,279 of 5% convertible notes; and $429,770 of sundry debt.

Fund Distributors Formed

MINNEAPOLIS, Minn. Fund Distributors, Inc. has been formed with offices in the Midland Bank Building to engage in a securities business. Officers are Philip J. Krelitz, president; Eugene N. Sloan, vice-president; and Burton G. Weisberg, secretary-treasurer.

N. E. Shafer Opens

LOS ANGELES, Calif. N. Eugene Shafer is engaging in a securities business from offices at 1246 South Burnside Avenue, under the firm name of Shafer & Co.



The Security I Like Best

Continued from page 2

anced refinery yield basis. It is almost certain that this capacity can be utilized this year. In addition, the company has a new 5,000 barrels a day refinery in Alberta opening this year which will enable it to serve its outlets in that province on a more profitable basis. The effect of both will be to add to earnings this year.

Transportation—All of Canadian Oil's Ontario refinery throughput is delivered through the Interprovincial Pipe Line (in which a 2% share interest is held) and about 20% of the cost of its crude in Ontario can be ascribed to transportation. It is likely that the increase in total deliveries to Ontario in 1961-63 will result in a reduction in tariffs by Interprovincial. A tariff cut of .04c a barrel to Sarnia, considerably less than Interprovincial's two previous cuts, would add to earnings in a significant way.

In addition to these special factors, the company's growth should continue to improve reported earnings. The dollar value of sales has increased at 7.5% per annum since 1954, a faster than average rate for the industry, as a result of an aggressive campaign to improve the quality and appearance of retail service stations and otherwise improve the corporate image of the company through intensive advertising. Products are distributed in all provinces of Canada except Newfoundland and British Columbia through some 3,000 outlets. More emphasis is being placed by the company on the sale of high-profit accessory products and considerable success has been experienced in this connection. The company is also continuing to expand its activities in the heating oil field and purchased four established firms for this purpose in 1960.

In petrochemicals, Canadian Oil Companies was the first to undertake the production of the aromatics, benzene, toluene and xylene in Canada. The original facilities for this purpose were completed in 1957 and output rose from 6 million gallons in 1958 to 12.6 million in 1960. The capacity of benzene production is being increased at the present time.

Financial data show that Canadian Oil Companies has out-performed the other integrated oils in growth of net profit in recent years, although profit margins are somewhat lower. On the other hand, cash flow as a percentage of sales is higher than almost all other integrated companies reflecting in part depreciation, depletion and amortization writeoffs which generally amount to 40 to 50% of net operating income.

In 1960, the company earned $1.24 per share compared with $1.23 in 1959 and $1.10 in 1958. Cash flow per share in 1960 was $4.30. Our estimates point to earnings of $1.75 to $1.85 for 1961 with a cash flow of $5.60 to $6.00 and in 1962 earnings of $2.00 to $2.25 with a cash flow of $6.40 to $7.20. At the current price of $29.00, the shares are currently, therefore, selling at 13.7 times 1962 earnings (as against an average price/earnings ratio of approximately 20 during the past four years) and at only 4.3 times the indicated 1962 cash flow.

In the light of these relationships, and comparing this company with its competitors, which are currently selling at anywhere from 7 to 10 times estimated 1962 cash flow per share, we feel that Canadian Oil Companies represents particularly good value in the market today.

Antitrust in 1960 Decade

Continued from page 15

in determining whether there is a reasonably probable foreclosure of a substantial volume of competition by reason of the exclusive dealing contract. The relevant product line of commerce and the geographic area of effective competition must be determined before deciding whether there is probable foreclosure of competition in a substantial share of the relevant market. Most surprising is the Court's reliance on the Rule of Reason factors mentioned in the Columbia Steel case which arose under the Sherman Act. But the difference is that under the Clayton Act the test is one of reasonable probability rather than proof of an accomplished substantial lessening of competition. Tampa Electric signals the willingness of the Court to inquire into the particularized circumstances of the specific case. The Court repudiates the implication that its previous exclusive dealing decisions under Section 3 adopted a mechanical illegal *per se* market foreclosure rule.

Tying Clauses

Tying clauses tested by either the Sherman Act or Section 3 of the Clayton standards are virtually illegal *per se*. The Supreme Court has said that tying agreements serve hardly any other purpose than the suppression of competition in the tied product or service. Construing the Section 3 opinions and the Northern Pacific Sherman Act opinion of the Supreme Court, my belief is that tying clauses fall under the antitrust axe whenever the owner of the tying product has sufficient economic power to impose an appreciable restraint over a substantial volume of interstate commerce. To me this means that a tying clause can rarely escape antitrust condemnation. There is only a narrow exception in prescribing reasonable specifications for the tied product.

There are other areas involving marketing practices where antitrust issues should not be, and cannot be, resolved by mechanical *per se* violation rules.

Certain conduct is sanctioned with a presumption of *per se* legality rather than a conclusive presumption of *per se* illegality.

For example, the Supreme Court and lower Federal courts have firmly supported the basic principle that a seller, acting unilaterally, has discretion to select his customers, provided there is no proof of a plus element of unfair trade practice or antitrust violation. The Ninth Circuit Court of Appeals recently quoted with approval this writer's general proposition that "individual refusal to deal is preserved whenever it is reasonably ancillary to the effectuation of lawful marketing objectives."

It is also lawful for a seller to designate exclusive or non-exclusive sales areas for distributors or dealers so long as there is effective product or interbrand competition at the seller and buyer levels. To the contrary, a seller would be exposed to antitrust violation if he attempts to restrict sales outside the territory designated for his wholesale distributors or retail dealers, or to restrict the persons to whom these marketing outlets may resell.

Injury to a Competitor vs Market As a Whole

In Robinson-Patman Act price discrimination cases only a half loaf of the Rule of Reason is being used by the Federal Trade Commission and most Circuit Courts of Appeals with respect to proof of injury to competition, an essential element of an illegal price discrimination. The present trend of decisions is based upon the test of injury to particular competitors rather than the effect of the price differential in the relevant market as a whole. This approach is out of harmony with over-all antitrust policy. The issue that remains to be squarely tested in the Supreme Court is whether Congress intended to protect individual competitors against diversion of trade even though the price differentials do not substantially lessen the vigor of competition in the entire relevant line of commerce. If that issue should be resolved in favor of preventing injury to particular competitors, it is improbable that Congress, sensitive as it is to the voice of small business, will revise the Act by repudiating that interpretation.

What are the prospects of Congressional legislation in the antitrust field? In the present Congress, the mood of certain Congressman and Congressional antitrust committees or subcommittees will be to keep the antitrust pot boiling. The Kennedy Administration will witness an increase in the number and pace of investigations, hearings and demands for new antitrust legislation. We may expect to hear particularly from Senator Kefauver's and Congressman Wright Patman's committees. It is in the halls of Congress, rather than in the Justice Department, Federal Trade Commission or the courts, that pressure will be brought to question business bigness, and identical prices of competitors, irrespective of how they come about. There will be three ring antitrust shows on Capitol Hill but it is doubtful that Congress will respond to more than two legislative proposals.

What Congress May Favor

One is mandatory advance notice of a corporate merger when the combined capital of the acquiring and acquired corporations exceed $10,000,000. In my opinion, this is ill-advised legislation. The Department of Justice and the Federal Trade Comission have sufficient means of learning of such significant contemplated mergers through trade sources. The Department of Justice has power to bring a suit to enjoin a merger. It would be desirable to give the Commission a like power. But a requirement of pre-merger notification would confront these agencies with an investigative burden far out of proportion to any public benefits that can be claimed for that type of enactment.

At present the Department of Justice has no power to compel production of documentary evidence in antitrust investigations prior to issuance of a civil complaint. There is a probability that this gap will be filled by enactment of a bill giving the Attorney General power to demand precomplaint production of material and relevant documentary evidence. The Attorney General's National Antitrust Committee Report of 1955 recommended similar legislation but with various safeguards against abuse of process.

Let us hope that Congress will not give heed to legislative proposals to nullify the elemental right of competitive self-defense in good faith meeting of the equally low price of a competitor —a right the Supreme Court has held is an absolute defense to charges of price discrimination under the Robinson-Patman Act. But we should not ignore the powerful force of small business proponents who seek to dilute this defense. The proposed bills are contrary to national antitrust policy goals and should not be enacted but one of them may be pressured through.

Patent Laws and Public Policy

Next we turn to public policy of the patent laws in relation to antitrust policy. This area has been one to which I have devoted a large measure of research and law teaching interest. I can only provide here a thumb-nail summation of propositions which reflect my beliefs and forecasts for this decade of antitrust.

First, the patent and antitrust laws are not inherently in conflict. Both public policies can peacefully coexist as fountainheads of competitive private enterprise.

Second, it is no longer disputed that a patentee will be denied equitable relief against direct or contributory infringement if he goes beyond the lawful monopoly of the claims of his patented invention to restrain commerce outside the scope of his patent. This is patent misuse in *per se* violation of the Patent Code. The Supreme Court has ruled in a series of cases that tying goods or services to a lease or license of the patented device or method is a clear case of patent misuse regardless of the amount of commerce restrained in the tied goods or services.

Third, it is erroneous to brand every patent misuse as also a *per se* antitrust violation. Justice Douglas' dictum to that effect in the Mercoid case is unsound. A patentee should be treated no differently than owners of other kinds of property. Patent misuse may also constitute antitrust violation if the misuse meets the standards and tests of violation of the Sherman, Federal Trade Commission or Clayton Acts. In my opinion, the Third and Seventh Circuit Courts of Appeals committed error in two recent decisions by branding exclusive dealing covenants in the marketing of patented goods as *per se* patent misuse. That issue should have been tested under the antitrust doctrine applicable to exclusive dealing covenants.

Fourth, the Supreme Court has provided guides to antitrust violations through abuse of patent rights. "Hard core" antitrust violations occur when patentees combine their patent rights or conspire among themselves or with licensees—in short, any type of horizontal agreement — to fix market prices, control production, divide territories or allocate customers. However, interchange of patent rights (sometimes called patent pooling), is tested by a Rule of Reason inquiry into the purposes of the interchange, its degree of market power and its effects as manifested by its operating practices.

These four propositions illustrate areas of patent misuse and antitrust violation. Let us now examine areas where patent rights have been given "hard core" judicial protection and a few areas where borderline issues still need clarification.

Despite the government's attempts to overrule it, the General Electric doctrine still stands in its announcement of a Rule of Reason applicable to individual patent license limitations unilaterally imposed by the patentee. In broad terms, General Electric held that the patentee is entitled to grant "a license to make, use, and vend articles under the specifications of his patent for any royalty, or upon any condition the performance of which is reasonably within the reward which the patentee by his grant is entitled to secure." Hence, any restrictions or conditions in a patent license reasonably ancillary to the lawful rights of exclusion contained in the patent grant have been sustained by the Supreme Court. General Electric sanctioned first sale price limitation and General Talking Pictures sanctioned a field of use restriction in a patent license. Early Supreme Court decisions sanctioned territorial restrictions in patent licenses so long as the purchaser who buys within an allocated territory is not restricted in his right to resell anywhere else in the United States.

The Supreme Court in Hazeltine Research sustained package patent licensing without coercion of the licensee by requiring him to take the package and refusing a request for a license under only one or some of the patents. Hazeltine also approved a formula for royalty payments on the package measured by a percentage of the licensee's sales of equipment in the licensed field. But no royalty rate for the package, less than the package, or one patent, should be so disproportionate as to constitute in practical effect economic coercion to accept only the package.

In my opinion, the recent Third Circuit Court of Appeals decision in the Shatterproof Glass case misapplied the Hazeltine rationale to condemn as mandatory package patent licensing the charging of the same rate of royalty, namely two cents per square foot of glass manufactured and sold by the licensee, whether the license included the package or one or more patents. This was held a *per se* patent misuse. The court did not consider the reasonableness of the single royalty rate. In that respect, the decision is highly questionable. It is in conflict with antitrust policy and principles of contract law.

It is surprising that at times patent counsel wonder whether the Antitrust Division considers an exclusive patent license as a badge of antitrust violation. As former Co-Chairman of the Attorney General's National Committee to Study the Antitrust Laws, I can say that neither Judge Barnes, the other Co-Chairman and then head of the Antitrust Division, or his liaison representatives, ever took the position that an exclusive patent license is *per se* in opposition to antitrust policy.

Acting unilaterally, a patentee can refuse to license. He can also grant an exclusive license or select two or more non-exclusive licensees. He cannot delegate to a licensee the discretion as to the selection of another licensee. Hence, if a patentee acts jointly with a licensee or other party except a bona fide agent of the patentee, or gives such other party a veto power, with respect to selection of licensees, this is beyond legally permissible conduct under either the patent or antitrust laws.

It is well settled that an unconditional sale of a patented article by the patentee or his authorized licensee relinquishes the patent monopoly in the article sold when the only patent reward sought is the price of the article. However, there is need for clarification of the question whether any restriction upon the purchaser of a patented article transgresses both patent law and antitrust law.

My study of the case law on this aspect convinces me that the Supreme Court has not announced a rigid rule *invariably outlawing* every restriction imposed upon purchasers of patented articles. There are certain types of restrictions on purchasers which are absolutely banned by Supreme Court rulings. For example, it is indisputable that the Sherman Act, apart from its exemption of valid and enforceable State Fair Trade Act contracts, prohibits the patentee from fixing the resale price after sale of a patented article. The Supreme Court has also invalidated restrictions on use or the place of resale of a patented article when it was originally sold within a territory where the patent licensee was authorized to sell it.

Distinguishable, however, is a case like General Talking Pictures. There the majority of the Supreme Court sustained a patent license field of use restriction where the patented article was initially sold with knowledge of both the licensee-vendor and the purchaser that it was to be used outside the restricted field. A sale made *outside* the licensed territory would also infringe the patent rights when the purchaser has knowledge of the restriction.

Borderline Issues Requiring Clarification

Without attempting to state refinements which distinguish the cases, suffice it to say that the Supreme Court has not squarely faced the question of whether use restrictions within the General Electric doctrine on articles that may be put to various uses survive a valid sale of a patented article when made by the patentee or his authorized licensee to vend. My position is that such use restrictions in the patent license itself should bind the purchaser who by contract, notice or knowledge, is in privity with those conditions. The sale itself would transfer the title but the purchaser should be held subject to the lawful use restrictions stemming from the patent license itself. Such equitable servitudes on the purchased chattel are consistent with the public policy of the patent law because the patentee has exacted a reward beyond the mere price of the sold article and has placed limitations on one or more of the various possible uses of the article thus sold.

Another Supreme Court clarification is needed on the question of multiple patent licenses. Suppose the patentee has individually and separately executed patent licenses with various licensees, and has fixed a first sale price in each of these licenses. The Third Circuit Court of Appeals recently ruled in the Newburgh case that such first sale price limitations in plural patent licenses accounting for three-fifths of the production in the industry is a *per se* price fixing agreement in violation of the Sherman Act and beyond the limits of General Electric doctrine. In the Gypsum case the Supreme Court expressly stated it had no occasion to decide that issue because Gypsum had otherwise cartelized the whole industry through controls beyond its patent rights. My position is that the Newburg decision is erroneous. Multiple patent licenses with a first sale price limitation but executed separately with each license should not be held a patent misuse or antitrust violation unless there is proof of a horizontal agreement between the patentee and the licensees or among the licensees.

Concluding Observations

My concluding statement is directed to a few general observations derived from this survey of the present status and future prospects of antitrust in this decade.

First, on the question of business bigness, there is no need for any basic substantive revision of the antitrust laws. It would be little short of disastrous to private competitive enterprise to place a statutory limit on the size of an enterprise or its market shares. This would destroy the incentive and spirit to compete, not to mention the utter impracticality of setting a legislative or administrative ceiling on size or market shares on an over-all basis. American industries are too dynamic and diverse for such static conceptions.

Second, it is extremely important that a corporation charged with antitrust violation it believes is not within the settled *per se* violation areas, should have the fortitude to litigate the case whenever it believes that the issues involved are fairly justifiable and are significant to itself and to the industry in which it operates. A corporation with resources for this approach should have greater fear of losing such a case by default than the fear of risking the outcome of litigation and the cost in money and management time. Complacency in avoiding litigation under the circumstances stated, or docile acceptance of hard bargains in antitrust consent settlements, will tend to create the very peril of undue interference with freedom of lawful private enterprise managerial decision-making business should at all costs strive to preserve. Remember that the ultimate safeguards against unwarranted antitrust charges are the independent courts to which the issues are submitted.

Third, in the patent-antitrust areas, the same considerations apply when the patent practices or antitrust charges are not believed to be within the clear-cut *per se* violation areas. Corporations and their patent counsel should be aware of ideological hostility to patent rights on the false assumption that they are intrinsically in conflict with the competitive goals the antitrust laws seek to maintain. It should be a matter of constant concern that this fallacious thinking usually stems from disbelief in the basic premises of the patent laws and Patent System as generators of incentive to invent an to invest high risk capital in patented inventions and in the research and development expenditures that bring them to practicable commercial utilization or governmental use for national defense and security. The Patent Bar should counsel constant alertness to defend the lawful "hard core" of exclusive patent rights and yet be equally willing to counsel abandonment of patent practices which are "hard core" patent misuses or "hard core" antitrust violations. Similarly, borderland patent-antitrust issues in need of Supreme Court clarification should be pressed to final adjudication.

Considerable progress toward protection of the Constitutionally sanctioned exclusive rights of the patentee has been made under the Patent Code of 1952. For the first time in the history of this legislation, the Code expressly provides that the patent grant shall contain the right to exclude all others from making, using and selling the patented invention throughout the United States. The Code also declares that patents shall have the attributes of personal property and that a patent shall be presumed to be valid.

So far as judicial attitudes toward patents are concerned, there is still cause for concern in frequent excessive severity of the courts in judging the validity of the patent on the issue of the standard of invention. But more important is the need of alertness of the Patent Bar to detect in patent-antitrust cases, judicial reluctance to resolve on balance doubts in favor of patent rights and against a finding of antitrust violation. There is no way of knowing how frequently this occurs but this potential threat underscores the role of patent counsel in presenting in briefs and oral argument an affirmative and persuasive case for protection of patent rights believed to be within the allowable range of both patent and antitrust policy.

Fair enforcement of antitrust policy and equitable protection of legitimate patent rights are only two of the many forces that have promoted a creative American economy. Yet to the extent that antitrust policy and patent policy symbolize economic liberties of equal importance with *civil liberties*, let us hope that the 1960 decade will witness their coexistence free from erosion of the laudable objectives each of these policies is designed to achieve within their respective spheres.

*An address by Mr. Oppenheim before the Patent Lawyers Club, Washington, D. C.

Public Service Electric & Gas Common Offered

Public offering of 900,000 shares of Public Service Electric & Gas Co. common stock at a price of $52.25 per share is being made by Merrill Lynch, Pierce, Fenner & Smith Inc. and associates.

Net proceeds from the sale of the additional common shares will initially be added to the general funds of the company and subsequently used for general corporate purposes, including the repayment of $10,000,000 of unsecured short-term bank loans and payment of a portion of the cost of the current construction program. As of Feb. 28, 1961, the estimated cost of the company's construction program amounted to about $289,000,000, of which $257,000,000 was for electric facilities and $32,000,000 was for gas facilities.

Public Service Electric & Gas Co. of Newark, N. J., is an operating public utility supplying electricity and gas in areas of New Jersey in which over 4,800,000 persons, or almost 80% of the State's population reside. As of Feb. 28, 1961, the company furnished electricity to over 1,410,000 customers, and gas service to more than 1,151,000 customers.

For the 12 months ended March 31, 1961 the company had total operating revenues of $405,778,811 and net income of $50,378,010.

Fireco Sales Ltd. Common Offered

McDonnell & Co., Inc., New York City, heads an underwriting group making an initial public offering on June 7 of 123,000 shares of Fireco Sales Ltd. common stock at $13 a share. All of the shares offered are being sold for Firestone Management Ltd., which holds all of the company's outstanding stock. No proceeds of the sale will be received by the company.

Fireco Sales, of 33 Racine Road, Toronto, Canada, an Ontario corporation, is primarily a rack jobber of non-food consumer items sold mainly in supermarkets, and other retail outlets in Canada. The company's service includes designing and furnishing racks and displays for its merchandise and a selling and servicing staff. It also sells merchandise wholesale to chain and other stores without any service. The company's catalogue lists approximately 1,200 items which are purchased almost exclusively from manufacturers. Approximately 83% of the company's 1960 sales was made in the Province of Ontario. The company services departments in approximately 650 stores. For the year 1960, Loblaw Groceterias Co. Ltd. accounted for 36% of company sales.

Sales of the company for the year ended Dec. 31, 1960 totaled $4,719,246 and net totaled $246,693, equal to $1.00 per share on 246,000 shares outstanding, compared with sales of $4,891,495 and net of $225,514, equal to 92 cents per share on a like number of shares for the 1959 year.

Capitalization of the company, giving effect to the offering is 246,000 shares of common stock, no par.

Forms Greenman Co.

Brian M. Greenman is engaging in a securities business from offices at 200 West 57th Street, New York City under the firm name of Greenman Company.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Calgary Power Ltd.

We commented last week in this column on the high price-earnings ratios for many U. S. utility stocks. In Canada there has been less price inflation in recent years—in fact several utility stocks which formerly were on a par with U. S. growth stocks have fallen by the wayside. B. C. Power, formerly rated a rapid growth stock, now sells at a mediocre 15 times earnings and the recent price of 35 compares with a high of 55 several years ago. Shawinigan Power, formerly considered a top growth stock, sells at only about 18 times earnings. Gatineau Power has had a recent multiple of 17. Quebec Power, selling at less than 14 times earnings although it has had an average five-year earnings gain of 9%, looks interesting.

However, there is one growth utility in Canada which has maintained and improved its market status—Calgary Power which at 29 sells at a P-E ratio of 26.6. While this is high historically, it seems quite reasonable as compared with a number of U. S. growth utility stocks with much smaller rates of growth in share earnings and P-E multiples of 30 to 35. Admittedly the company's growth had been due largely to the development of oil and gas in Alberta, but a favorable regulatory climate has also helped, as it has in Florida. Alberta has become a major source of oil since discovery of the Leduc field in 1947, and currently contains 81% of Canada's reserves. Gas reserves have also grown fast and the present estimated 27 trillion cf equal about 10% of U. S. reserves; increasing amounts are being transported to eastern Canada and the United States. The population of Alberta since the end of World War II has enjoyed an annual increase of 3.4% or double that of the U. S.; and this rate of growth is expected to continue over the next fifteen years. Industry in the Province is expected to become more diversified.

While Calgary Power has been in existence for some 50 years, its major growth has occurred since the War and especially since 1950. During the past decade the kw load has increased 259%, and the rate of domestic consumption has more than doubled. Revenues have increased at the rate of 16% per annum. Recent growth is indicated by the following table:

	1960 Rev. (Mill.)	–Percent– Inc. 1960 over 1959	Inc. 1959 over 1958
Towns, Villages, etc.—			
Domestic and Farms	$6.8	8	20
Commercial	3.7	12	15
Small Power	1.5	9	7
Calgary Municipal Util. (Wholesale)	5.0	14	17
Other Municipal Utils. (Wholesale)	.6	13	19
Oil Industry	4.4	11	16
Other Industrial Power	3.3	5	8
Miscellaneous	.4	13	14
Total	$25.7	10	15

The company has long range plans for development. Providing increased water supply as well as additional power, the Brazeau Project is being planned with an initial cost of about $25 million or only $165 per kw; further units can be added as required at a cost of $60 per kw, plus the cost of additional storage at some stage. The first unit of this project should be ready by 1964 or earlier. A coal-fired 150,000 kw plant is also being built for completion in 1962; it will cost $21 million and have a capacity of 150,000 kw. Coal will be supplied by a nearby strip mine costing only about $5.5 million. (The company controls reserves of about 60 million tons of coal). The low cost coal, which should remain relatively stable in cost, should work out more advantageously than if the company continued using gas, with the rising trend of cost at the well. The company has also been adding peaking units at its hydro plant which program is now completed. The low cost of property additions has helped the growth of earnings since the company had been able to finance construction largely from internal cash.

Calgary Power has been split twice—3-for-1 in 1953 and 5-for-1 in 1959—so that there are now 15 shares outstanding for each share of 1952 stock. Increases in earnings (adjusted for splits) have been as follows:

	Share Earnings	Percent Increase
1960	$1.09	14
1959	.96	8
1958	.89	11
1957	.80	7
1956	.75	27
1955	.59	7
1954	.55	17
1953	.47	15
1952	.41	78
1951	.23	28
1950	.18	--
Average		21

The company's growth record should continue, although the rate of gain in share earnings might slow down somewhat. There is a possibility that provincial taxes may increase. While this would naturally affect earnings, the company's rate schedules provide for an offsetting increase in rates subject to approval by the commission. It is believed that such approval would be forthcoming in view of the history of liberal regulation in the province.

The dividend rate is very low—only 40c—providing a yield of 1.4%, but this is typical of our own growth stocks.

A. M. Shulman Co. Opens

A. M. Shulman & Co., Inc. is conducting a securities business from offices at 26 Broadway, New York City.

Technological Progress vs. Concentration in Mfg.

Continued from page 1

than a larger scale of operations.[1]

To begin with, electricity and gas provide *fuels at low cost*, and no need any longer for clumsy steam engines. Even the one-man outfit is now in the position of operating with "horsepowers," the cost of which would have been prohibitive a century ago. Moreover, *substitute raw materials* and new techniques to utilize them had been evolved, with the result of facilitating their use in relatively small plants. The application of light metals, alloys and plastics is much better suited for small-scale operation, and as a rule much more economical than wood and iron.

But the most significant change took place in machine tools, redounding to the benefit of greatly enhanced industrial competition. Space limitations forbid a thorough-going discussion of this broad subject. Suffice it to emphasize its chief feature: making available the most advanced equipment on a cost level accessible for small, sometimes even for diminutive, plants. This *decentralizing trend* goes in two directions. One is the creation or adaption of specialized tools. *Specialization* frequently is the small units' *forte*, made possible by the development of equipment fitted for their size. It is promoted, incidentally, by the fact that the large-scale producer may find it uneconomical to be "burdened" with technical and marketing problems outside the range of its normal activities. It is scarcely profitable for General Motors to put up special plants for all the tiny particles that go into the construction of a car; or for U. S. Steel to combine basic steel production with the fabrication of needles. Thus, a healthy symbiosis obtains between the largest and the smallest type of manufacturing units. The latter cluster in great numbers around the former: as *suppliers* of parts on the one end; as buyers and *processors* of basic products on the other end.

The opportunity for smaller business provided by specialization is illustrated, for one example, by the fact that in the U. S. well over 100 independent firms are engaged in steel fabrication, none with more than 500,000 tons annual capacity. Opportunity by specialization brought about largely by the new technology, is highly significant in the manufacturing of goods of moderate size and subject to variety and change of demand: small machines and parts, household equipment, toys and gadgets, textiles, etc., quality products in general. As a Lancashire cotton manufacturer stated it in the *Financial Times* of London (June 10, 1953):

"Unless the cotton trade alters sufficiently to eliminate the need for variety and for rapid changes in manufacture, there will continue to be a need for many small weaving sheds, not only on specialty cloths, but on a reasonably wide range of output."

Rapid changes imply, however, the danger of early obsolescence. That is where the multi-purpose machine comes in.

The Flexible Multi-Purpose Machine

The entrance and survival of numerous enterprises in a market "dominated" by big firms have been greatly fostered by the development, in recent years, of highly flexible multi-purpose machines. Quoting the same author as above (one of the first to recognize the full impact of this course of events):[2]

"Powered by electricity and practically independent of its surroundings, the multi-purpose machine can operate intermittently and quickly change the nature of its product, thereby *enabling the small plant to take the fullest advantage of variations in local demand.*

"Moreover, with the addition of a few appurtenances, it also brings the important element of high-speed output. . . . As measured by the three basic criteria of machine operations — *speed, precision and versatility* — one multi-purpose machine with automatic adjustments may represent the equivalent of a whole series of specialized machines; *a few multi-purpose machines may replace whole factories.*"

Enhanced mobility, in addition to adaptability, is another earmark of this development, one of no mean significance.

The widespread notion, that modern technology means the end of small business in manufacturing—that it eliminates competition—is an economic myth. In no manufacturing industry of a major country has a single unit succeeded in absorbing or eliminating all others. Competition among the Big is very much alive. What is more, technical innovations tend to equip the small unit in a fully adequate way, enabling it not only to produce cheaply, but also to solve the problem of distribution. Marketing depends, above all (leaving aside high quality products), on the ability to deliver *standardized* products at competitive prices. That is brought within the reach of small operators, thanks to the new technology. Even *mass production* is being brought on its doorstep, together with all appurtenances of mechanization, "rationalization," and even automation.

The Growth Firms

The fastest growth of new manufacturing firms occurs in "growth" industries — in certain branches of chemistry, drugs and cosmetics, especially also in the electronic and vending machine fields—where technological progress is accentuated. In the U. S., literally scores of new electronics producers sprang up since World War II, many equipped with new patents. Not all survive, of course. But the prime proof of a competitive market—in an industry allegedly "dominated" by Giants—consists in the entrance of new and small firms, and in their ability to grow rapidly. Declining profit rates (in 1960) are a further indication of the effectiveness of competition.

Perhaps nowhere is the symbiosis between large and small units more pronounced than in the production and utilization of synthetic materials. Cellophane, a duPont achievement "has sparked the establishment (in the U. S.) of a great many small businesses," the company's president reported in 1949. "Dupont has about 6,000 cellophane customers, of which less than 100 are big people. . . . The rest are largely small business. Much of the present consumption of cellophane was developed by little firms who devised new uses and new techniques." (*Wall Street Journal*, Nov. 16, 1949.)

Or take the electronics industry. At this writing, "there are believed to be approximately 4.000 independent business enterprises in the U. S. predominantly engaged in manufacturing electronic products . . . probably no more than 300 or 400 have a public market for their securities and only half of these are listed on the national securities exchanges. By far the largest number of them are composed of a few scientists, engineers or technicians operating out of small laboratories and work shops." (*Commercial and Financial Chronicle*, April 27, 1961.)

The majority of these firms exclusively or predominantly in the electronics field entered it within the last 20 years. Equally interesting is the fact that even a majority of the large ones, with $50 million or more annual sales, consists of relative newcomers, having started from scratch during or since World War II, such as the very successful Motorola, Inc.

All of which was made possible (under the shadow of the giant firms in the industry, of oppressive taxation and wage inflation, and international trade barriers) by risk-taking spirit, competitive stimuli, and — the decentralizing drift of modern technology. And, there was another "technical factor at play that deserves special treatment: the ability of small firms to progress by contributing a major share of the inventive process.

Inventions, Innovations, and Research

A prime source of profits—of capital accumulation — in manufacturing is the introduction or acquisition of new processes and novel techniques. That they *used to* emanate from individual inventors and small firms, is common knowledge. Has this situation really changed in the 20th century? No, it has not; fundamental theory, and almost every great invention we have in our world today have been the result of the genius of *one* man's mind, and of only one man's mind. But now it is taken for granted that Big Business, with its richly subsidized research laboratories and battalions of highly paid scientists, virtually monopolize the invention process. Genius gives way to probability calculus, according to a German scholar. In other words, the team has supplanted the individual inventor, institutional research has replaced the autonomous kind (allegedly documented by the planned and administered development of the atom bomb, that was in reality an exceptional situation). This has become commonplace opinion, underwritten even by such a distinguished economist as the late Professor Joseph Schumpeter. And, of course, it fits perfectly in the world-view (Weltanschauung) of the "statist" crowd. Harvard Professor J. K. Galbraith may be considered as its spokesman:

"A benign Providence . . . has made the modern industry of a few large firms an almost perfect instrument for inducing technical change. . . . There is no more pleasant fiction than that technical change is the product of the matchless ingenuity of the small man forced by competition to employ his wits to better his neighbor. Unhappily, it is a fiction. Technical development has long since become the preserve of the scientist and the engineer. Most of the cheap and simple inventions have, to put it bluntly, been made."[3]

Galbraith actually contends that innovations stem from industries controlled by "oligopolies"; where competition obtains, progress is slow or absent. That this is fiction has been demonstrated in a searching study of 61 recent (20th century) "fundamental" inventions of an applied nature by Professor John Jewkes, London School of Economics, and his collaborators.[4] Note that discoveries in pure science are omitted.

"More than one-half of the cases can be ranked as individual invention in the sense that much of the pioneering work was carried through by men who were working on their own behalf without the backing of research institutions and usually with limited resources and assistance or, where the inventors were employed in institutions, these institutions were, as in the case of universities, of such a kind that the individuals were autonomous, free to follow their own ideas without hindrance. Into this group it seems proper to place: Air Conditioning; Automatic Transmissions; Bakelite; Ballpoint Pen; Catalytic Cracking of Petroleum; Cellophane; Chromium Plating; Cinerama; Cotton Picker; Cyclotron; Domestic Gas Refrigeration; Electric Precipitation; Electron Microscope; Gyro-Compass; Hardening of Liquid Fats; Helicopter; Insulin; Jet Engine; Kodachrome; Magnetic Recording; Penicillin; 'Polaroid' Land Camera; Power Steering; Quick Freezing; Radio; Safety Razor; Self-winding Wrist-watch; Streptomycin; Sulzer Loom; Synthetic Light Polarizer; Titanium; Xerography; Zip Fastener." (Jewkes, p. 82.)

This is, of course, an incomplete list of recent inventions originated by individuals and small businesses. (Many of them have grown since into the medium or large size category, or are in the process of growing.) In numerous other cases they have been instrumental in utilizing and greatly improving existing innovations. It is difficult indeed to draw a hard and fast line of distinction between primary inventions — the contribution of an entirley new and practically significant idea — and a fresh point of view that helps to create essential improvements.

Cites Other Examples

A few cases from this writer's range of information may be added to the above list.

(1) Universal Oil Products, a very small firm, as firms go in the petroleum industry, not incorporated until 1958—was first to bring out (1949) the method, discovered by Vladimir Hensel, to change straight run gasoline into the high octane variety. This was the key to one of the most important 20th century developments in mineral oil processing, on which depend also most of the "aromatic" chemicals.

(2) Thomas Steel Co., Warren, Ohio, developed (1927-1933) the first continuous electrolytic plating lines, making possible the inexpensive coating of steel strip. The company employs now about 700 people.

(3) Systematic research by La Salle Steel Co., Hammond, Ind., with about 500 employees at present, evolved since 1951 a method for deforming bars at elevated temperatures, resulting in increased strength properties, without prejudice to the machining characteristics. Presently, world-wide licensing of the relevant patents is under way.

(4) Elliot-Automation owes its growth—from 1,000 pounds sterling profits in 1947 to well over 1,000,000 pounds in 1960—to the pioneering development by its managing director, Leon Bagrit, of control systems required in the advanced forms of automation.

(5) In the Los Angeles area, some 400 "non-entertainment electronics" firms produce parts related to automation: instrumentation, data-processing and computation, few of them equipped with original patents. Consolidated Engineering, for one, originally a "war baby" with $832,000 sales in 1945, grew to $16.5 million 10 years later, due to specializing in extremely sensitive and precise data-processing instruments such as recording oscillographs.

(6) Professor Jewkes and his collaborators mention the invention in Germany of cemented tungsten carbide, an extremely tough metal, vital for "dies, machine-tool cuting edges and many sorts of wear and corrosion-resistant parts." They report, also, about the later development of this technique by American firms, General Electric in particular. As a matter of fact, the most important improvements in "hard metal carbides" were brought about by Kennametal (Latrobe, Pa.) since 1937, at which time its annual sales amounted to a bare $75,000. Since, they have grown to a multi-million dollar volume, thanks to the extraordinary strength and heat resistance of the firm's carbide products.

The case of Kennametal is instructive, especially also, because it shows that small operators with very limited facilities are capable not only of generating new ideas, but also of developing them — given inventiveness and perseverance—in a fashion that amounts to virtual innovations. That holds in *merchandising* as well. Unless a firm's ambition is to grow Big, and do so rapidly, it does not take huge funds to acquire a reasonable place on the market. It takes "brains" rather than funds to have novel marketing ideas. Moreover, market research by specialized, expert firms is available to the small operator, as is engineering advice. So are, in a majority of cases, licenses on new inventions originated by the larger firms. The post World War II era has witnessed a near-fabulous growth of specialized small enterprises by cross-licensing with patent-owners, especially so in the U. S. The difficulties in keeping up with technological progress, without the aid of an adequate staff, may be overcome by co-operative research organizations on the Swedish, Dutch, and British patterns.[5]

The public ignores the fact that innovations stemming from large-scale enterprises are by no means always the product of massive teamwork. Frequently, their essentials have been acquired or borrowed from the outside; or they have been developed by individuals, who happen to be associated with the organization, on their own initiative. Actually, contrary to popular opinion, the invention process is no different from what it used to be. In the recent past, as in the remoter one, many an innovation has been sparked by "outsiders," if not by dilettantes.

"Gillette, the inventor of the safety razor, was a traveling salesman in crown corks. The joint inventors of Kodachrome were musicians. Eastman, when he revolutionized photography, was a bookkeeper. Carlson, the inventor of xerography, was a patent lawyer. The inventor of the ball-point pen was at various times sculptor, painter and journalist. The automatic telephone dialing system was invented by an undertaker. All the varieties of successful automatic guns have come from individual inventors who were civilians. Two Swedish technical students were responsible for the invention of domestic gas refrigeration: a 20-year-old Harvard student for success in producing the first practical light-polarizing material. The viscose rayon industry was largely the result of the work of a consulting chemist, a former glass-blower and a former bank clerk. An American newspaperman is credited with being the father of the parking meter. J. B. Dunlop, the inventor of the pneumatic tire, was a veterinary surgeon. (Jewkes, pp. 117-8.)

No denying, of course, the colossal technological progress accomplished by the efforts of large-scale enterprises, the tremendous expenditures they incur

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1 John M. Blair, "Technology and Size," *American Economic Review*, 1948, p. 151.

2 J. M. Blair, *loc. cit.*, p. 135 (Italics ours.)

3 *American Capitalism*, p. 91.

4 John Jewkes, D. Sawers and R. Stillerman, *The Sources of Invention*, New York, St. Martin's Press, 1959.

5 "Research and Development as a Factor of Industrial Progress," by M. Zvegintzov, in *National Provincial Bank Review*, London, February 1955.

in order to foster new inventions and to improve the old. But Bigness has drawbacks in the laboratory, as in the machine shop and the office. Be that as it may, in research, too, a sort of *competitive symbiosis* of big, medium, and small units has been established. This is illustrated by the fact that a research organization of the size of General Electric Laboratories, with a $60 million appropriation and with a staff of 4,500 technicians in 1955, "farmed out" in the same year 360 projects to 217 public and private institutions.

The Changing Growth Mix

Continued from page 3

group represents a decline in the people with the larger incomes. So the low income groups are growing rapidly and the high income groups are declining, and there you have a great divide in the consumer structure of American business. This divide is actually more extreme than these facts would indicate, because we have in this country a statistical concept which we call discretionary income.

Discretionary income means that after a family has bought the essentials of life — the food, the things that they absolutely must have — there is something left over. Well, the discretionary income of the upper age group, 25 to 34, is somewhere is the neighborhood of $2 thousand a year, but the discretionary income in the hands of the lower age group is relatively nominal. The large discretionary income is in the higher age group. The younger group has a hard time making ends meet. They derive some financial aid from their parents and grandparents and they borrow some money on the installment plan, but by and large they are up against a very tough financial budgeting program. The low income spending units are rising by leaps and bounds now and will be so for the next three or four years and the groups enjoying high income per spending unit are actually declining in number.

That situation places a limit on the consumer spending ability of these two very important age groups but there comes a time when there is a change for the better. The precise and exact designation of this time involves a number of problems but not to get into any technicalities, I may say that the change begins as we aproach the middle '60s and continues as we carry on during the later '60s and the early '70s.

About 1964 is the dividing point. At that time the total income of these two age groups combined begins to move up. Both go up together. That gives a sort of skyrocketing curve of spending power by consumers in the two groups combined from 1964 on to 1975. From that I derive the idea that attempts by artificial means to stimulate the growth of consumer spending are currently and for the next three or four years relatively limited in effectiveness.

In the middle and late '60s and in the early '70s, the changing consumer mix suggests accelerated growth from the natural forces of a free economy.

I am not pointing this out to attack anybody. I am not trying to find fault with policies by which the present Administration proposes to stimulate the economy. But I am convinced that in the light of this change in the consumer mix in the United States, it is going to be very difficult for them to do much about it until roughly 1964. Beyond that date the consumer mix will be a powerful and irresistible force giving this great acceleration of growth in consumer demand, no matter what the Government does or does not do.

In other words, I am talking primarily about factors that are inherent in the free economy and in private industry. And from this I derive a timing concept of the growth trend and I derive it from the changes in the mix of consumer demand, the mix in the number of families of the two different age groups.

I advance now to the second mix, and that is the production mix.

The Production Mix

Everybody talks about production growth, whether it is too much or too little and whether it can be accelerated. I want to deal with the production situation in terms of the component parts of production. For this purpose I have been working with my research colleagues for a number of years on a comparison of individual industries. The overall growth factor is important but to me the much more fruitful field of study and analysis is the individual industry and a comparison of one industry with another.

We have carried this analysis into rather exhaustive detail and we find that about 40% of American industry entered a slowdown period in growth some three or four years ago, is still in that slowdown period, and is likely to continue there in the early years of the '60s. But again after this dividing point in time—roughly, 1964 — many of these industries that have had the slowdown will stage a comeback. Their rates of growth will again be speeded up.

The other 60% of American industry has relatively good rates of growth. In large measure these rates have been maintained through the recession. I think they will continue on through the next three to four years. But even though they already have a superior coefficient of growth, they will experience an acceleration as we approach the middle '60s.

So, looking at the problem from the standpoint of the production mix or the industrial mix, with the changes in the relationships between individual industries, we have this same pattern of a temporary slowdown, temporary in terms of a few years. Following that we have a return to high-speed growth from a point a little ahead of the middle '60s and on through the rest of the '60s and into the '70s.

I do not want to dwell too much on the slowdown in growth for the current and near future period because that might leave an unduly pessimistic impression. I want to put the emphasis on the positive side and I am talking about the coming great acceleration of growth from roughly 1964 on for the ensuing 10 years, the coming acceleration of growth. I am sorry to say I cannot give too much acceleration of growth in the next few years.

I advance now to the third form of the growth mix and that I will call the technological mix.

Technological Mix

We have all heard a great deal about research and development carried on by American business. Most of this discussion has been in general, overall terms. We spend so many billions of dollars a year on research and development. We have space-age science. We put out vast sums of money in this direction. I am not interested in the amount of money spent. I am interested in the results and I am interested in the results again in terms of a breakdown of science and of research and development into the parts and pieces.

When we make this approach we find that it is fruitful to go out and look at the work done by individual companies. Again, in our research efforts we have worked rather intensively on about 200 leading companies in the United States. In most cases we have visited their laboratories, observed their research effort, and have attempted to talk with the management about the policies which guide the research, and about the capability of the management to make the research pay off. And we have found that there are very wide differences in the effectiveness of the research, in the effectiveness of the scientific effort, and in the effectiveness of management in capitalizing upon the research in terms of marketing new products.

The effectiveness of the effort is not to be measured merely in terms of what percent of sales goes into research, although that is a consideration. Two companies can be spending 3% of sales on research and development and one can be getting marvelous results and the other can be getting disappointing results. The difference must lie somewhere in the management factor.

Not All Research Is Effective

As we look over the variations in companies in the capacity to get results from research work, we are rather struck by the fact that there is a certain cycle of productivity in research and in science. There is not a steady flow of success in this field of endeavor. There is an expression frequently heard in the realm of science, and the expression is, "a break-through." A break-through in the field of science can be either in basic science or it can be in application through engineering and research and development to a final product and to the marketing of that final product. The gains and benefits of science and research and development do not occur at regular intervals. They are very irregular. A given laboratory may make a major break-through this year and not make another one for 10 years. You cannot force it. It comes out of genius, tremendous work and effort, and when one talks about stimulating growth one has to think in terms of stimulating the break-throughs in the whole field of science and research and development. The idea that one can by manipulations bring about a stable growth rate in the field of science and in research and development is not persuasive. And if one cannot bring about a stable growth rate in that field, how can one bring about a stable growth rate in the economy as a whole?

So we have these three areas of a changing mix—in the consumer demand, in the production and industrial side, and in the technological side of science and research and development.

Now, the third mix, the technological mix, lends support to what I have said about the timing pattern for the first two combinations.

In the period right after World War II and during the '50s and up until about 1956 or 1957, there was a flood of major break-throughs in the field of science and of research and development. Since then, a number of industries noted for major break-throughs appear to have experienced a diminution of this form of producivity. At some point this will pick up again and no man can forecast in this field and say just when it will be, but on certain general considerations I think that we should see a resumption on a grand scale of both major and minor break-throughs in the field of science as we move to this magic year 1964 and from there on into the next 10 years.

So, putting the three changes in growth mix together, what I see is a temporary lull in the growth factor, not a cessation, not a complete stoppage, but a temporary slowdown in the rate of growth. I think there are certain artificial things that might be done that would stimulate the growth rate for the next two or three years, but not stimulate it nearly as much as some of the advocates of such policies seem to imagine. But when I look beyond that I can see exciting possibilities. I see the bright blue yonder from just a little before the middle '60s on through for the ensuing 10 years. There it looks to me like a new outburst of growth factors arising from this change in growth mix, and that is the optimistic side of the story as I see it.

Now, I have reviewed these three growth mixes. I want to add a sort of philosophical supplement to the story being presented here.

Examines Our Population Trend

My first sub-division, the consumer mix, was really a population mix. There have been certain great names in the history of economic thought, names of men who have been very brilliant in the field of population analysis. One of the most famous of these was Thomas R. Malthus, His theory was that population in all countries would tend to increase faster than the food supply, the population would therefore encroach upon the means of subsistence, and that this would give rise to certain evils and certain forms of suffering, starvation, plague. He called population growth an evil. He did not welcome it as an optimistic feature of the human life. It was an evil.

Now, his ideas have recently been re-created in the form of a story about the population explosion, that population explosion referring to the under-developed countries primarily, the countries where there is a high birth rate and where the improvement in medicine has greatly reduced the death rate. If one projects ahead the populations of many countries that have not reached a high level of industrial development, one can get a picture that is staggeringly fearful. I am not referring to that kind of population explosion, nor the Malthus doctrine.

After Malthus there came along another student, John Maynard Keynes, who based his concepts on a population premise. That population premise was formed in the late 1930s and the premise was that we had arrived at a point where stagnation ruled the population trend in the more highly developed industrial countries. We had reached the end of the road, there would be no further major increases in population. The doctrine was postulated upon a stagnation of population.

I am not here to criticize or to applaud his doctrine. I am mentioning this to show that here are two great names, one based on population explosion as a regular, constantly recurring thing forever and ever and ever, and the other based on stagnation in population in advanced industrial economies.

But today we have a picture of unique relationships between stagnation and explosion. We have a stagnation of population in the age group of 25 to 34 years and we have an explosion of population in the age group of 18 to 24 years. That has never happened before in our lifetime and I doubt if it will happen again in our lifetime. But it has happened. It is something new. And it behooves us to adapt our thinking to something that is so new and so fundamental to the economic life of the free economy of America. To ignore this great change in the internal relationships between parts of the population is to be intrigued and seduced by a lot of propositions that will not stand the test of hard-boiled, down-to-earth, realistic analysis.

Simultaneous Stagnation and Explosion

We have today the results of an alternation between stagnation and explosion as between different parts of the economy occuring simultaneously. That is the new development that we have to face and we have to try to translate it into the economic outlook. To my way of thinking this is far more important as an approach, as a way to an understanding what is ahead of us, than most of the discussion of growth as an aggregate.

The American economy has many problems. I am not discussing here any of those problems except the ones that I have already mentioned. It is not my intention to include the population explosion in Asia, nor to propound a solution for unemployment, nor to write a tax law for American business. Moreover, I do not attack here those who think they know what ought to be done. I neither attack nor defend. I simply state my own proposition for what it is worth for anyone to evaluate as he may please.

But I hope that I have made it clear that for reasons of internal changes in the relationships of population, of consumption, of production and of technology, we are in a slow-down period at the moment and we may stay there for two to three years longer. Then we should emerge from it and we should move ahead very sharply. It will be a period of great opportunity in American business

Perhaps I have dealt too much about figures and statistics and changes in relationships of one kind or another. There are things that are far more important than tons and dollars and things that you can measure with a slide rule. There are things on the moral and mental side of the American economy that are not readily measured by any known yardsticks and yet they are more important in the long run than the things that one can measure.

A great many years ago it was written of a young man, "He grew in wisdom and in stature and in favor with God and man." Anybody can grow in stature but not everybody can grow in wisdom and in favor with God and man.

We need a great regeneration of wisdom, tolerance, judgment, sympathy, of the spiritual values in our lives. Otherwise, these materialistic factors of science and research and population can ruin us.

I present here a sermon in favor of trying to match up our spiritual values with the values that we can measure on the Stock Exchange or in Gross National Product. That is where we are apt to lag behind. That is where we ought to give everything the big push. We must have the vision and the imagination to keep control of these great forces that are being released within the American economy.

*An address by Dr. Edie before the 45th annual meeting of the National Industrial Conference Board, New York City, May 19, 1961.

Samson, N. Y., Branch

Samson Associates, Inc., investment adviser and general distributor for Samson Convertible Securities and Capital Fund, Inc., and open-end non-diversified investment company, has announced the opening of an office at 680 Fifth Avenue, New York, with William B. Farrell, Jr. as Sales Manager.

Headquarters of Samson Associates, Inc. are in Briarcliff Manor, N. Y.

Richard Wolf Opens

BELLEROSE, N. Y. — Richard Wolf is conducting a securities business from offices at 83-07 252nd Street.

STATE OF TRADE AND INDUSTRY

Continued from page 5

ate antitrust and monopoly subcommittee. And the Tennessee Senator long ago issued a standing warning that he will investigate any price increase in the steel industry.

At the same time, price cutting in stainless steel, and boosting distributor discounts for oil country goods have also dampened any chance of a steel price rise in the near future.

Continuation of price cuts, coupled with the fact steel mills and steel service centers both continue to overlook some "extras" or special charges, is hardly the atmosphere for steel price increases, the *Iron Age* points out. In addition, many large steel users say they would resist higher prices.

For these reasons some steel executives, while not ruling out a price increase later this year or early next year, privately concede that any attempt to boost prices soon would "fall flat on its face."

All things considered, the magazine says, the steel companies know it is going to take more than just saying they need higher prices to push through any increases—and make them stick.

June Steel Output May Exceed May's Nine Million Tons by Five Per Cent

Continued strong demand for steel may cause the nation's producers to pour more ingots this month than they did in May, *Steel* magazine said.

There's a good chance that June production will exceed May's nine million tons by as much as 5%. But if June steelmaking merely holds at the May pace, it will still top the June, 1960, output by more than 20%.

Ingot production this week is expected to slightly exceed the 2,080,000 tons that *Steel* estimates the industry poured last week. Steelmaking operations held steady over Memorial Day.

Some producers of reinforcing steel bars are operating close to capacity. Demand is strong, reflecting the seasonal bulge in construction.

Fairly active demand for structurals continues. Fabricators' backlogs are becoming more extended, and inquiry is developing in encouraging volume. A larger and more diversified amount of private construction is coming out.

Stronger demand for manufacturers' wire is developing. The automotive industry is specifying more actively. It has pushed some of its schedules forward.

Tin plate demand is near a seasonal peak. Most producers are operating at capacity.

Many steel service centers are accumulating inventories of galvanized and hot rolled sheets, reflecting the steady lengthening of leadtime required by mills to fill orders on those items.

The rising trend in steel production is giving impetus to talk of higher prices in the industry, *Steel* reported.

If market conditions are favorable, there will be strong pressure for an upward adjustment on or about Oct. 1. That's when the United Steelworkers get the third installment of the wage package they negotiated in January, 1960.

The industry has absorbed employment cost increases of about 30 cents an hour since the last price increases in 1958.

But pressure from competing domestic products, imports, and nonferrous materials will cause steelmakers to think twice about increasing their prices.

Some product prices were cut last week. A producer of stainless steel trimmed its quotations on several grades up to 5% to meet competition from other sellers fighting for automotive trim business. A tool steel maker reduced carbide metal prices up to 20%, with a proportional reduction in prices of throwaway inserts and single tools.

Scrap is showing new strength. *Steel's* composite price on No. 1 heavy melting grade was up $1 to $37.33 a gross ton after holding unchanged for three weeks.

Production of iron ore pellets—a raw material for the iron and steel industry — will set another record this year in North America, even though iron and steel output won't be close to record, **Steel** reported.

U. S. plants will supply 12,850,000 tons; Canadian plants 1,400,000. Last year (also a record setter) saw 11,651,000 tons come from U. S. plants and 1,246,000 from Canadian plants. Pellet shipments are likely to set records each year through 1968.

Steel Production Data for the Week Ended June 3

According to data compiled by the American Iron and Steel Institute, production for week ending June 3, 1961 was 2,052,000 tons (*110.1%), 1.2% under output of 2,077,000 tons (*111.5%) in the week ended May 27.

Production this year through June 3 amounted to 37,141,000 tons (*90.6%), or 30.7% below the 53,606,000 tons (*130.6%) in the period through June 4, 1960.

The Institute concludes with Index of Ingot Production by Districts, for week ended June 3, 1961, as folows:

	*Index of Ingot Production for Week Ending June 3, 1961
North East Coast	104
Buffalo	119
Pittsburgh	95
Youngstown	104
Cleveland	125
Detroit	139
Chicago	115
Cincinnati	114
St. Louis	125
Southern	106
Western	119
Total industry	110.1

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

May Production of Passenger Cars Showed an Increase of 21.4% Over April

May production of U. S. passenger cars reached to 542,303 units, an increase of 21.4% over April and the highest attainment for any month since November of last year, *Ward's Automotive Reports* said.

The statistical agency said that although May output lagged some 11.3% behind 611,260 units turned out in the same month a year ago, it was equal to 99.2% of the 546,817 car assemblies during May, 1959.

Ward's said that auto output of 84,137 this week showed a decline of 34.9% from the near 1961 high of 129,142 turned out last week because of the extended Memorial Day holiday. For the same week of 1960, production was 115,068, but the holiday came on a Monday, allowing a longer work week.

With the Tuesday holiday this year, most automakers confined operations to the three days following. Buick, Oldsmobile and Pontiac divisions of General Motors scheduled assembly Monday in eight plants, and Chevrolet division operated at Willow Run and Atlanta. Twelve other GM plants took a two-day holiday.

Ford Motor Co. scheduled work at only five of its 15 assembly sites for Monday, but all were in operation from Wednesday through Friday. Chrysler Corp.'s Hamtramck, Mich. plant also worked Monday, but the Detroit Lynch Rd. Plymouth facility and a Los Angeles site were idled all week. Other Chrysler plants limited work to three days, ending Friday.

American Motors Corp. and Studebaker-Packard followed the three-day program beginning in mid-week.

Of this week's output, General Motors Corp. accounted for 50.7%; Ford Motor Co. 32.8%; Chrysler Corp. 8.5%; American Motors Corp. 6.9%; and Studebaker-Packard Corp. 1.1%.

Business Failures Rebound to 368 in May 25 Week

Commercial and industrial failures rebounded to 368 in the week ended May 25 after dropping to 303 in the preceding week, reported Dun & Bradstreet, Inc. Casualties climbed considerably above the 299 occurring in the comparable week a year ago and the 264 in 1959. Also, some 21% more businesses failed than in pre-war 1939 when the toll was 303 in the similar week.

The week's upturn was concentrated among failures involving liabilities under $100,000, which rose to 332 from 260 last week and 266 in 1960. Casualties running above $100,000, on the other hand, dipped to 35 from 43 in the previous week but remained slightly above the 33 of this size a year ago.

The toll among retailers increased sharply to 174 from 132, and among construction contractors jumped to 61 from 47. As well, mild rises occurred in manufacturing, up to 64 from 58, and in wholesaling, up to 43 from 39. Commercial service showed the only decline during the week, a dip to 26 from 27, and was the only group having fewer casualties than in the corresponding week last year. In other operations, mortality exceeded 1960 levels by considerable margins.

Thirty-six Canadian failures were reported as against 26 in the preceding week and 34 in the comparable week of last year.

Electric Output 2.8% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 3, was estimated at 13,887,000,000 kwh., according to the Edison Electric Institute. Output was 503,000,000 kwh. below that of the previous week's total of 14,390,000,000 kwh. and 384,000,000 kwh., or 2.8% above that of the comparable 1960 week.

Lumber Shipments Were 13.3% Behind That of 1960 Volume

Lumber production in the United States in the week ended May 27, totaled 226,266,000 board feet compared with 239,025,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 234,749,000 board feet.

Compared with 1960 levels, output declined 3.7%, shipments were down 13.3%, and orders rose 5.2%.

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

	May 27, 1961	May 20, 1961	May 28, 1960
Production	226,266	239,025	234,749
Shipments	224,565	238,767	259,154
Orders	220,642	219,219	209,688

Freight Car Loadings Showed an Increase of 1.8% Above the Preceding Week

Loading of revenue freight in the week ended May 27, 1961, totaled 578,767 cars, the Association of American Railroads announced. This was an increase of 10,310 cars or 1.8% above the preceding week.

The loadings represented a decrease of 61,097 cars or 9.5% below the corresponding week in 1960, and a decrease of 108,296 cars or 15.8% below the corresponding week in 1959.

There were 12,121 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended May 20, 1961 (which were included in that week's over-all total). This was an increase of 1,194 cars or 10.9% above the corresponding week of 1960 and an increase of 3,587 cars or 42% above the 1959 week.

Intercity Truck Tonnage Was 1.1% Below Corresponding 1960 Week

Intercity truck tonnage in the week ended May 27, was 1.1% below that of the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was less than one per cent ahead of the volume for the previous week of this year, up 0.6%.

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.

Wholesale Food Price Index Moves Up for Second Consecutive Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., moved slightly higher this week, the second increase in a row. On June 6 it rose 0.7% to $5.92 from the week earlier $5.88, and it was up 0.3% from the $5.90 of the corresponding date a year ago.

Commodities advancing in wholesale cost this week were flour, wheat, corn, rye, beef, bellies, cottonseed oil, eggs, potatoes, raisins and steers. Lower in price were barley, hams, lard, sugar and milk.

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

Wholesale Commodity Price Index Rises Appreciably from Prior Week

Reflecting higher prices on grains, flour, steers, cotton and steel scrap, the general wholesale commodity price level moved up appreciably in the latest week from the prior period. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 269.46 (1930-32=100) on June 5, compared with 268.51 on May 26 and 272.80 on the corresponding date a year ago.

Bad Weather Holds Retailing Close to a Year Ago

More cold and rainy weather and the Memorial Day holiday held consumer buying in the week ended this Wednesday below the prior week and over-all retail trade remained close to the similar 1960 period. Declines from last year in sales of major appliances, new passenger cars, and men's apparel offset slight gains in women's apparel, furniture, and food products. Interest in linens, draperies and children's apparel were close to last year.

The total dollar volume of retail trade in the week ended May 31, ranged from 2% below to 2% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: Mountain +3 to +7; East North Central and West South Central —1 to +3; New England, Middle Atlantic, and Pacific Coast —2 to +2; South Atlantic —3 to +1; East South Central —4 to 0; West North Central —5 to —1.

Nationwide Department Store Sales Declined 1% Below The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended May 27, 1961, showed a decline of 1% below for the like period last year. For the week ended May 20, an increase of 6% was reported. The four-week period ended May 27, 1961, sales advanced 2% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended May 27 sales were unchanged over the same period last year. In the preceding week ended May 20 sales showed a 2% increase over the same period last year. For the four weeks ended May 27, a 3% increase was reported above the 1960 period, while from Jan. 1 to May 27 showed a 1% increase over last year's sales.

Stocker & Yale Stock All Sold

June 8, 1961, it was reported that the offering of 100,000 shares of common stock of Stocker & Yale, Inc. at $3 per share was oversubscribed and the books closed. The offering was made by First Weber Securities Corp., pursuant to a May 16 offering circular.

Net proceeds from the financing will be used by the company for research and development of new products; purchase of equipment for the manufacture of new products; and for a sales promotion and marketing program designed to expand its distribution facilities and its marketing department. The remainder of the proceeds initially will be added to working capital and subsequently used to cover an expected increase in accounts receivable, and to increase inventories of materials, demonstration equipment and finished products.

Stocker & Yale, Inc., Marblehead, Mass., is engaged in research, design and manufacture of precision measuring instruments, such as comparators, projectors, micromanipulators and lighting products for assembly and control equipment. The company also does special design and development work in the optical and audio visual fields. Missile, electronics, miniaturization and other precision industries form the principal market for the company's products.

For the fiscal year ended Dec. 31, 1960, Stocker & Yale, Inc., had net sales of $629,759 and net income of $42,405. Upon completion of current financing, outstanding capitalization of the company will consist of 261,000 shares of common stock.

Lightguard Elect. Private Deb. Sale

June 8, 1961, it was reported that $100,000 of this firm's 6% convertible debentures and senior notes had been sold privately to Electro-Science Investors, Inc., of 727 South Central Expressway, Richardson, Tex. In addition, Electro-Science, a small business investment company licensed by the SBA, committed $75,000 for purchase of additional 6% convertible debentures when needed by Lightguard.

With A. C. Allyn & Co.

CHICAGO, Ill.—Thomas P. Smith has become associated with A. C. Allyn & Company Incorporated, 122 South La Salle Street.

Mark Davis Agency Form'd

HEMPSTEAD, N. Y. — The Mark Davis Agency, Inc. is conducting a securities business from offices at 114 Main Street.

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)	Jun 10	70.0	71.0	66.0	62.3
Equivalent to—					
Steel ingots and castings (net tons)	Jun 10	2,052,000	2,077,000	1,943,000	1,775,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	May 26	7,054,410	7,061,160	7,249,710	6,810,910
Crude runs to stills—daily average (bbls.)	May 26	8,049,000	7,893,000	7,738,000	7,899,000
Gasoline output (bbls.)	May 26	29,089,000	28,783,000	27,483,000	28,654,000
Kerosene output (bbls.)	May 26	1,741,000	1,693,000	2,173,000	2,324,000
Distillate fuel oil output (bbls.)	May 26	12,952,000	11,695,000	11,275,000	12,305,000
Residual fuel oil output (bbls.)	May 26	5,922,000	6,283,000	5,930,000	6,304,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	May 26	210,493,000	213,692,000	219,317,000	211,653,000
Kerosene (bbls.) at	May 26	27,154,000	27,249,000	26,226,000	24,421,000
Distillate fuel oil (bbls.) at	May 26	90,259,000	86,867,000	84,008,000	91,453,000
Residual fuel oil (bbls.) at	May 26	44,039,000	43,390,000	41,275,000	39,997,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	May 27	578,767	568,457	544,356	639,864
Revenue freight received from connections (no. of cars)	May 27	495,925	495,353	494,937	538,785
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Jun 1	$399,900,000	$400,000,000	$418,800,000	$648,000,000
Private construction	Jun 1	225,400,000	228,100,000	173,800,000	481,600,000
Public construction	Jun 1	174,500,000	171,900,000	245,000,000	166,400,000
State and municipal	Jun 1	138,000,000	123,600,000	191,900,000	131,300,000
Federal	Jun 1	36,500,000	48,300,000	53,100,000	35,100,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	May 27	7,980,000	*7,815,000	7,355,000	8,575,000
Pennsylvania anthracite (tons)	May 27	308,000	342,000	300,000	313,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	May 27	137	146	146	139
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Jun 3	13,887,000	14,390,000	14,206,000	13,503,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	Jun 1	254	368	399	274
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	May 29	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	May 29	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	May 29	$36.83	$36.50	$36.50	$32.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	May 31	30.600c	30.600c	28.600c	32.600c
Export refinery at	May 31	29.525c	30.250c	28.675c	29.050c
Lead (New York) at	May 31	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	May 31	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	May 31	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	May 31	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	May 31	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	May 31	111.250c	111.000c	107.625c	100.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jun 6	87.25	88.58	89.75	86.69
Average corporate	Jun 6	87.32	87.59	87.72	85.20
Aaa	Jun 6	91.62	92.06	91.91	89.51
Aa	Jun 6	89.64	89.92	90.06	87.45
A	Jun 6	86.38	86.78	87.05	84.68
Baa	Jun 6	82.03	82.15	82.15	79.49
Railroad Group	Jun 6	84.68	85.20	85.20	83.28
Public Utilities Group	Jun 6	88.67	88.81	88.95	85.46
Industrials Group	Jun 6	88.67	88.81	88.95	86.91
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jun 6	3.90	3.75	3.60	3.87
Average corporate	Jun 6	4.61	4.59	4.58	4.77
Aaa	Jun 6	4.30	4.27	4.28	4.45
Aa	Jun 6	4.44	4.42	4.41	4.60
A	Jun 6	4.68	4.65	4.63	4.81
Baa	Jun 6	5.02	5.01	5.01	5.23
Railroad Group	Jun 6	4.81	4.77	4.77	4.92
Public Utilities Group	Jun 6	4.51	4.50	4.49	4.75
Industrials Group	Jun 6	4.51	4.50	4.49	4.64
MOODY'S COMMODITY INDEX	Jun 6	368.9	367.9	367.9	376.1
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	May 27	320,360	303,563	320,272	313,558
Production (tons)	May 27	331,806	324,167	319,809	310,595
Percentage of activity	May 27	93	93	91	93
Unfilled orders (tons) at end of period	May 27	432,421	436,539	421,325	448,196
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Jun 2	113.46	113.48	113.05	110.31
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	May 12	3,954,200	3,632,070	4,072,180	2,417,180
Short sales	May 12	656,730	654,800	727,870	449,890
Other sales	May 12	3,298,410	3,008,530	3,179,710	1,965,900
Total sales	May 12	3,955,140	3,663,330	3,907,580	2,415,790
Other transactions initiated off the floor—					
Total purchases	May 12	705,800	484,250	653,640	394,790
Short sales	May 12	64,100	47,800	49,800	43,500
Other sales	May 12	638,360	391,230	555,180	333,020
Total sales	May 12	702,460	439,030	604,980	376,520
Other transactions initiated on the floor—					
Total purchases	May 12	1,265,891	1,061,823	1,147,570	723,021
Short sales	May 12	197,210	129,710	147,810	139,940
Other sales	May 12	1,215,333	907,180	1,081,427	718,619
Total sales	May 12	1,412,543	1,036,890	1,229,237	858,559
Total round-lot transactions for account of members—					
Total purchases	May 12	5,925,891	5,178,143	5,873,390	3,534,991
Short sales	May 12	918,040	832,310	925,480	633,330
Other sales	May 12	5,152,103	4,306,940	4,816,317	3,017,539
Total sales	May 12	6,070,143	5,139,250	5,741,797	3,650,869
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	May 12	2,500,321	2,348,457	2,810,582	1,726,857
Dollar value	May 12	$125,401,172	$125,469,076	$150,037,439	$83,414,474
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	May 12	2,641,642	2,431,993	2,922,171	1,559,486
Customers' short sales	May 12	11,169	9,986	10,039	17,181
Customers' other sales	May 12	2,630,473	2,422,007	2,912,132	1,542,305
Dollar value	May 12	$125,622,098	$118,523,110	$145,721,988	$73,966,740
Round-lot sales by dealers—					
Number of shares—Total sales	May 12	831,600	746,590	883,820	419,810
Short sales	May 12				
Other sales	May 12	831,600	746,590	883,820	419,810
Round-lot purchases by dealers—Number of shares	May 12	672,100	641,330	781,820	593,980
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	May 12	1,047,280	953,130	1,022,470	792,470
Other sales	May 12	25,779,940	23,057,300	25,630,680	15,051,040
Total sales	May 12	26,827,220	24,010,430	26,653,150	15,843,510
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	May 30	118.9	118.9	119.3	119.7
Farm products	May 30	86.5	86.1	87.4	89.7
Processed foods	May 30	107.7	107.8	108.5	107.3
Meats	May 30	92.6	91.6	93.6	97.5
All commodities other than farm and foods	May 30	127.8	127.8	128.0	128.4

*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
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of April	14,782	*16,751	15,446
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS RECORD — Month of April (000's omitted):			
Total U. S. construction	$1,789,000	$1,817,000	$1,803,000
Private construction	1,002,000	848,000	903,000
Public construction	787,000	969,000	900,000
State and municipal	607,000	776,000	705,000
Federal	180,000	193,000	195,000
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of April:			
All manufacturing (production workers)	11,413,000	11,423,000	12,334,000
Durable goods	6,382,000	6,363,000	7,123,000
Nondurable goods	5,031,000	5,060,000	5,211,000
Employment indexes (1947-49 avg.=100)—			
All manufacturing	$92.3	92.4	99.7
Payroll indexes (1947-49 avg.=100)—			
All manufacturing	168.8	*158.2	159.2
Estimated number of employees in manufacturing industries—			
All manufacturing	15,476,000	15,492,000	16,380,000
Durable goods	8,813,000	8,802,000	9,548,000
Nondurable goods	6,663,000	6,690,000	6,832,000
MANUFACTURERS' INVENTORIES & SALES Month of April (millions of dollars):			
Inventories—			
Durables	$30,630	*$30,770	$32,140
Nondurables	23,100	*23,050	22,640
Total	$53,730	*$53,810	$54,770
Sales	29,460	*31,280	30,820
METAL PRICES (E. & M. J. QUOTATIONS)—May:			
Copper—			
Domestic refinery (per pound)	29.985c	28.600c	32.600c
Export refinery (per pound)	29.505c	27.781c	30.302c
††London, prompt (per long ton)	£242.409	£229.158	£248.233
††Three months, London (per long ton)	£243.517	£230.651	£243.006
Lead—			
Common, New York (per pound)	11.000c	11.000c	12.000c
Common, East St. Louis (per pound)	10.800c	10.800c	11.800c
††London, prompt (per long ton)	£66.645	£67.076	£77.412
††Three months, London (per long ton)	£67.881	£68.220	£76.824
Zinc—			
East St. Louis (per pound)	11.500c	11.500c	13.000c
§§Prime Western, delivered (per pound)	12.000c	12.000c	13.500c
††London, prompt (per long ton)	£82.395	£83.914	£92.097
††London, three months (per long ton)	£82.733	£83.849	£91.452
Silver and Sterling Exchange—			
Silver, New York (per ounce)	91.375c	91.375c	91.375c
Silver, London (per ounce)	79.375d	79.559d	79.335d
Sterling Exchange (check)	$2.79396	$2.79805	$2.80601
Tin, New York Straits	110.108c	107.219c	99.518c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$203.000	$205.000	$212.000
Antimony—			
¶New York, boxed (per pound)	36.250c	36.250c	32.590c
Laredo, bulk (per pound)	32.500c	32.500c	29.000c
Laredo, boxed (per pound)	33.000c	33.000c	29.500c
Aluminum—			
99% grade ingot weighted avge. (per lb.)	26.000c	26.000c	28.100c
99% grade primary pig export	23.250c	23.250c	26.000c
**Nickel	74.000c	74.000c	74.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
Platinum, refined (per pound)	$82.000	$82.000	$82.000
Cadmium (per pound, delivered ton lots)	$1.60000	$1.60000	$1.40000
(Per pound, small lots)	$1.70000	$1.70000	$1.50000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000

*Revised figure. †Estimated totals based on reports from companies accounting for 96% of primary, 95% of secondary tin consumption in 1957 and 97% of total stocks end of 1957. ¶Domestic five tons or more but less than carload lot boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **F.o.b. Port Colburne, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

	Latest Month	Previous Month	Year Ago
MONEY IN CIRCULATION—TREASURY DEPT. As of March 31 (000's omitted)	$31,900,000	$31,800,000	$31,600,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of April (in billions):			
Total personal income	$410.3	*$409.8	$401.9
Wage and salary receipts, total	274.3	272.1	271.7
Commodity producing industries	109.0	107.3	112.1
Manufacturing only	85.7	*84.4	88.6
Distributing industries	72.1	*71.9	71.8
Service industries	42.4	42.3	40.5
Government	50.8	*50.6	47.3
Other labor income	10.9	10.9	10.8
Business and professional	35.5	35.5	35.7
Farm	12.8	*13.0	11.7
Rental income of persons	12.5	12.5	12.5
Dividends	14.0	14.0	13.9
Personal interest income	27.6	27.6	26.2
Transfer payments	32.2	*33.6	28.6
Less employees' contribution for social insurance	9.5	9.4	9.2
Total nonagricultural income	393.6	*392.9	385.9
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of April 15:			
All farm products	239	243	242
Crops	226	224	225
Commercial vegetables, fresh	231	213	255
Cotton	249	240	244
Feed, grain and hay	145	150	158
Food grains	202	208	209
Fruit	250	260	211
Oil-bearing crops	286	264	216
Potatoes	178	161	257
Tobacco	517	517	494
Livestock	250	259	257
Dairy products	246	257	244
Meat animals	305	309	310
Poultry and eggs	145	160	163
Wool	231	226	250
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of March (000's omitted):			
Savings and loan associations	$1,060,220	$837,697	$983,016
Insurance companies	94,363	78,487	119,371
Banks and trust companies	394,477	320,533	376,567
Mutual savings banks	106,218	95,111	104,387
Individuals	316,940	265,927	354,843
Miscellaneous lending institutions	472,100	398,760	467,377
Total	$2,444,318	$1,996,515	$2,405,561
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of March (000's omitted):			
Exports	$1,934,200	$1,671,500	$1,748,800
Imports	1,230,500	1,045,900	1,377,800

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

★ Abbey Automation Systems, Inc.
June 6, 1961 filed 100,000 common shares. **Price** — $3. **Proceeds**—For new facilities, sales program, demonstration laboratory and working capital. **Office**—37-05 48th Ave., Long Island City, N. Y. **Underwriter**—John Joshua & Co., Inc., New York.

Accesso Corp. (6/15)
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. **Offering**—Imminent.

A-Drive Auto Leasing System, Inc. (6/12-16)
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).

★ Adelphi Electronics, Inc.
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Distributes electronic products. **Proceeds**—To repay a loan, acquire new quarters, for expansion, inventory, and working capital. **Office**—142 Mineola Blvd., Mineola, N. Y. **Underwriter**—H. B. Crandall Co., New York.

★ Advanced Electronics Corp.
May 31, 1961 ("Reg. A") 150,000 class A shares (par 10 cents). **Price**—$2. **Business**—Designs and manufactures radio telemetry systems, frequency filters and power supplies for the missile, rocket and space programs. **Proceeds**—For research and development, equipment, repayment of loans and working capital. **Office**—2 Commercial St., Hicksville, N. Y. **Underwriter** — Edward Hindley & Co., New York City. **Offering**—Expected in mid-July.

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.

Advanced Scientific Instruments, Inc.
May 19, 1961 filed 875,000 shares of common stock. **Price** —$1.15 per share. **Business**—The company was formed in March, 1961 to engage in the development, manufacture, sale and lease of electronic, electro-mechanical and electro-optical equipment. **Proceeds** — For equipment, developmental work and working capital. **Office**—1208 Title Insurance Building, Minneapolis, Minn. **Underwriter**—Naftalin & Co., Minneapolis.

★ Affiliated Investment Corp.
May 29, 1961 filed 400,000 common shares. **Price** — $5. **Business**—The company plans to invest in life insurance concerns. **Proceeds**—For investment. **Office**—1730 K St., N. Y., Washington, D. C. **Underwriter**—Affiliated Underwriters, Inc., Washington, D. C.

Air Master Corp.
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

Air-Space Devices Inc.
May 4, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For repayment of bank loans, expansion, new equipment, and working capital. **Office**—1024 Burbank Blvd., Burbank, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Allison Business Services, Inc. (6/19-23)
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.

Allstate Bowling Centers, Inc.
May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares will be sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock will be offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held. **Price**—To be supplied by amendment. **Business**—The construction and operation of bowling centers in several states. **Proceeds**—For expansion and working capital. **Office** — 30 Verbena Avenue, Floral Park, N. Y. **Underwriter**—Bear, Stearns & Co., New York City.

● Almar Rainwear Corp. (7/3-7)
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).

Alside, Inc.
May 11, 1961 filed 200,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of aluminum siding and paneling for houses. **Proceeds** — For the selling stockholders. **Office**—3773 Akron-Cleveland Rd., Akron, O. **Underwriter** — Reynolds & Co., Inc., New York City (managing).

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Avenue, Mamaroneck, N. Y. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

● America-Israel Phosphate Co. (6/9)
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**—Seminole Securities Co., Inc., Pittsburgh, Pa., and New York City.

American Electronic Laboratories, Inc.
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price** —To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

American Facsimile Corp.
April 28, 1961 (letter of notification) 40,000 shares of common stock (par 25 cents). **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. (7/3-10)
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**—Lomasney, Loving & Co., New York City. **Offering**—Expected in late June.

★ American Missiltronics Corp.
June 6, 1961 filed 125,000 shares of class A common. **Price**—$4 per share. **Business**—The issuing firm is a

Marrud, Inc. Common Offered

McDonnell & Co., Inc., New York City, headed an underwriting group which made an initial public offering on June 2 of 194,750 shares of Marrud, Inc. common stock at $20.50 per share. Of the offering, 100,000 shares are being sold by the company and 94,750 shares are being sold by selling stockholders. Company proceeds of the offering will be used to repay a bank loan and to provide working capital for expansion.

Marrud, Inc., of 189 Dean St., Norwood, Mass., is a Massachusetts corporation retailing cosmetics and beauty and health aids through the operation of leased concessions in discount department stores. At May 15, 1961 the company operated 74 concessions in stores located in 21 states and during 1961 the company plans to open an additional 40 units and to enlarge further its line of products.

Sales of the company for the 26 weeks ended Jan. 28, 1961 totaled $5,254,130 and net was $216,946 compared with sales of $3,448,855 and net of $151,208 for the like 26 weeks ending Jan. 30, 1960. Sales for the fiscal year ended July 31, 1960 totaled $6,608,505 and net was $275,850.

Capitalization of the company as of April 10, 1961, giving effect to the offering and repayment of bank loans consists solely of 500,000 shares of common stock, par value $2.

Haber, Martin Co. Formed

Haber, Martin & Co. has been formed with offices at 125 Broad Street, New York City, to engage in a securities busines. Partners are Jack H. Haber, David A. Martin and Herman Baker.

Schirmer, Atherton Branch

BANGOR, Maine — Schirmer, Atherton & Co. has opened a branch office at 25 Center Street under the management of Donald J. Waring.

Electronic Aids Common Offered

Pursuant to a May 26, 1961 offering circular, R. Topik & Co., Inc., 295 Madison Ave., New York City is offering to the public 100,000 shares of this firm's 10 cent per common stock at $3 per share. Net proceeds, estimated at $231,500, will be used by the company for the purchase of raw materials and equipment, for sales promotion, legal fees, salaries and leasehold expenses.

Electronic Aids of 857 N. Eutaw St., Baltimore, Md., is engaged in the design, development, manufacture and distribution of electronic training devices and medical instruments. Commercial Bank of North America, 115 Broadway, New York City, is transfer agent for the stock.

With Bertner Bros.

Charles B. Green has become associated with Bertner Bros., 63 Wall Street, New York City.

holding company for Jersey Packing Co., and a closed circuit television camera manufacturer. **Proceeds**—For the purchase of equipment, research and development, expansion of the Missiltronics Division, advertising, inventory and working capital. **Office** — 136 Orange St., Newark, N. J. **Underwriter**—T. M. Kirsch & Co., New York City.

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. **Offering** — Expected in late July.

American Photocopy Equipment Co. (6/12-16)
May 16, 1961 filed 435,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 385,000 for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of desk-top photocopy machines, paper and supplies, and binding equipment. **Proceeds**—The company will use its share of the proceeds for general corporate purposes. **Office**—2100 West Dempster St., Evanston, Ill. **Underwriter** — Lehman Brothers, New York City (managing).

★ **American Univend Corp.**
May 29, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The leasing of vending machines and the sale of merchandise for distribution therein. **Proceeds**—For the repayment of debt, purchase of additional machines, and other corporate purposes. **Office**—120 E. 56th St., New York. **Underwriter**—Robert A. Martin Associates, Inc., New York.

Amity Corp. (6/26-30)
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.

Antilles Electronics Corp.
May 8, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Address**—San Lorenzo, Puerto Rico. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

★ **Apache Corp.**
May 29, 1961 filed $750,000 of participating units in the Apache Canadian Gas & Oil Program 1961 to be offered for public sale in 100 units. **Price**—$7,500 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. **Underwriter**—APA, Inc., Minneapolis. **Offering**—Expected in mid-August.

Apache Corp. (6/26-30)
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. (7/10-14)
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. (6/12)
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.

● **Arcs Industries, Inc. (7/24-28)**
May 19, 1961 filed $1,630,000 of 6% convertible subordinated debentures due 1971, to be offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held. **Price** — At par. **Business**—The manufacture of electronic, electrical and electro-mechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

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.
April 21, 1961 filed 488,986 shares of common stock (par $2.50), being 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**—$32.50 per share. **Proceeds**—For expansion. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters** — First Boston Corp., and Blyth & Co., Inc. (managing).

Arkansas Valley Industries, Inc.
May 12, 1961 filed $1,500,000 of convertible subordinated sinking fund debentures due 1976. **Price**—100% of principal amount. **Business**—The production and sale of chicken feed, hatching chicks and poultry. **Proceeds** —For new facilities, the improvement of marketing improvements, and for working capital. **Office**—Dardenelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing).

★ **A. T. U. Productions, Inc.**
June 1, 1961 ("Reg. A.") 100,000 shares of common stock (par 10 cents). **Price**—$3. **Business**—TV film productions. **Proceeds**—For general corporate purposes. **Office**—130 W. 57th St., New York, N. Y. **Underwriter**—Marshall Co., New York.

● **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. **Offering**—Imminent.

● **Audiographic Inc. (6/9)**
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).

★ **Australia (Commonwealth of) (6/27)**
June 2, 1961 filed $25,000,000 of 20-year bonds due July 1, 1981. **Proceeds**—For the Commonwealth's international reserves. The Australian currency equivalent of the proceeds will be applied toward capital works programs now being financed by loans. **Underwriter** — Morgan Stanley & Co., New York (managing).

Automated Merchandising Capital Corp.
May 24, 1961 filed 400,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—A closed-end non-diversified management investment company formed to provide financial assistance to concerns active in the vending industry. **Proceeds** — For investment. **Office**—10 East 40th St., New York City. **Underwriter** —Blair & Co., Inc., New York City (managing).

Automated Procedures Corp. (6/26-30)
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.

● **Automatic Canteen Co. of America (6/30)**
May 26, 1961 filed $20,800,000 of convertible subordinated debentures due July 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 32 shares held of record about June 30. **Price**—To be supplied by amendment. **Business**—The development, manufacture, sale and leasing of vending machines. **Proceeds**—For the repayment of debt, the construction of a factory addition at Whippany, N. J., and for other corporate purposes. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

● **Automation Development, Inc. (6/12-16)**
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.

● **BBM Photocopy Manufacturing Corp.**
May 26, 1961 filed 50,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The assembly and sale of accessory equipment for photocopy machines. **Proceeds**—For acquisition of the Bohn Duplicator Co. a division of Willmor International Corp. **Office**—42 W. 15th St., New York City. **Underwriter**—Shields & Co., New York City (managing).

● **Baltimore Gas & Electric Co. (6/14)**
May 26, 1961 filed $20,000,000 of sinking fund debentures due 1986. **Proceeds**—For the repayment of bank loans and for construction. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—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). **Bids**—To be received on June 14, 1961.

Bel-Aire Products, Inc.
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**

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NEW ISSUE CALENDAR

June 9 (Friday)
Clark Equipment Credit Corp. ---------- **Debentures**
(Lehman Brothers and Blyth & Co., Inc.) $20,000,000
Renaire Foods, Inc. ---------- **Common**
(P. W. Brooks & Co., Inc.) $750,000
Renaire Foods, Inc. ---------- **Debentures**
(P. W. Brooks & Co., Inc.) $600,000
U. S. Mfg. & Galvanizing Corp. ---------- **Common**
(Armstrong & Co., Inc.) $300,000
Williamhouse, Inc. ---------- **Common**
(Robert L. Ferman & Co. Inc.) $636,000

June 12 (Monday)
A-Drive Auto Leasing System, Inc. ---------- **Class A**
(Hill, Darlington & Grimm) $1,000,000
American Photocopy Equipment Co. ---------- **Common**
(Lehman Brothers) 435,000 shares
Architectural Plastics Corp. ---------- **Common**
(Zilka, Smither & Co., Inc.) $128,988
Automation Development, Inc. ---------- **Common**
(First Philadelphia Corp. and United Planning Corp.) $150,000
City Products Corp. ---------- **Debentures**
(Lehman Brothers and White, Weld & Co.) $15,000,000
Colorplate Engraving Co. ---------- **Common**
(Mineo & Co.) $300,000
Consumers Automatic Vending, Inc. ---------- **Common**
(Diran, Norman & Co. and V. S. Wickett & Co. Inc.) $625,000
Curley Co., Inc. ---------- **Common**
(Carter, Berlind, Potoma & Weill) 50,000 shares
Decitron Electronics Corp. ---------- **Common**
(M. L. Lee & Co.) $100,000
De Soto Chemical Coatings, Inc. ---------- **Common**
(Goldman, Sachs & Co. and Lehman Bros.) 1,000,000 shares
Dixon Chemical Industries, Inc. ---------- **Debentures**
(Offering to stockholders—underwritten by P. W. Brooks & Co., Inc.) $1,500,000
Dixon Chemical & Research, Inc. ---------- **Debentures**
(P. W. Brooks & Co., Inc.) $2,900,000
Equity Capital Co. ---------- **Common**
(Paine, Webber, Jackson & Curtis) 100,000 shares
Fiat Metal Manufacturing Co., Inc. ---------- **Common**
(Dempsey-Tegeler & Co.) 220,462 shares
Gimbel Brothers, Inc. ---------- **Debentures**
(Lehman Brothers and Goldman, Sachs & Co.) $25,000,000
Girard Industries Corp. ---------- **Common**
(Edwards & Hanly; Brand, Grumet & Seigel; Kesselmann & Co. Inc. and Casper Rogers & Co. Inc.) $500,000
Hydroswift Corp. ---------- **Common**
(Whitney & Co.) $360,000
Julie Research Laboratories, Inc. ---------- **Common**
(C. E. Unterberg, Towbin Co.) $1,000,000
Lannett Co., Inc. ---------- **Common**
(Netherlands Securities Co., Inc.) $150,000
Lorillard (P.) & Co. ---------- **Debentures**
(Lehman Brothers and Smith, Barney & Co.) $40,000,000
Marine & Electronics Manufacturing Inc. ---------- **Com.**
(Lecluse & Co.) $300,000
Metropolitan Securities, Inc. ---------- **Common**
(Metropolitan Brokers Inc.) $300,000
Missouri Edison Co. ---------- **Bonds**
(Bids 11 a.m. DST) $2,000,000
Motor Travel Services, Inc. ---------- **Common**
(Bratter & Co. Inc.) $299,000
National Radiac, Inc. ---------- **Common**
(Hardy & Hardy) $300,000
Ram Electronics, Inc. ---------- **Common**
(General Securities Co. Inc.) $300,000
Real Estate Investment Trust of America ---------- **Ben. Int.**
(Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co. and Lee Higginson Corp.) 500,000 shares
Search Investments Corp. ---------- **Common**
(No underwriting) $1,000,000
Tassette, Inc. ---------- **Class A**
(Amos Treat & Co., Inc.; Bruno Lenchner, Inc. and Karen Securities Corp.) $2,400,000
Templeton, Damroth Corp. ---------- **Debentures**
(Hecker & Co.) $445,000

June 13 (Tuesday)
Pacific Gas & Electric Co. ---------- **Common**
(Offering to stockholders—underwritten by Blyth & Co. Inc). 896,470 shares
Virginia Electric & Power Co. ---------- **Bonds**
(Bids 11 a.m. DST) $30,000,000

June 14 (Wednesday)
Baltimore Gas & Electric Co. ---------- **Debentures**
(Bids to be received) $20,000,000
Michigan Wisconsin Pipe Line Co. ---------- **Bonds**
(Bids 11 a.m. DST) $30,000,000
Toledo Plaza Limited Partnership ---------- **Units**
(Hodgdon & Co., Inc.) $522,500

June 15 (Thursday)
Accesso Corp. ---------- **Units**
(Ralph B. Leonard & Sons, Inc.) $600,000
Chroma-Glo, Inc. ---------- **Common**
(Jamieson & Co.) $297,000
De-Flectronics, Inc. ---------- **Common**
(Theodore Arrin & Co. and T. M. Kirsch & Co.) $112,000
G-W. Ameritronics, Inc. ---------- **Units**
(Fraser & Co., Inc.) $320,000
Golden Triangle Industries, Inc. ---------- **Common**
(Robert M. Harris & Co. Inc.) $340,000
Industrial Control Products, Inc. ---------- **Common**
(Edward Hindley & Co.) $495,000
Ivest Fund, Inc. ---------- **Common**
(Ivest, Inc.) 150,000 shares
Lytton Financial Corp. ---------- **Capital**
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares
Mortgage Guaranty Insurance Co. ---------- **Common**
(Bache & Co.) 155,000 shares
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) $20,000,000
Universal Manufacturing Co. ---------- **Common**
(Naftalin & Co., Inc.) $270,000

June 16 (Friday)
Cable Carriers, Inc. ---------- **Capital**
(No underwriting) 196,109 shares
Chock Full O' Nuts Corp. ---------- **Debentures**
(F. Eberstadt & Co.) $7,500,000

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Harvey's Stores, Inc.________Class A
(Maltz, Greenwald & Co.) $1,125,000

Income Planning Corp.________Units
(Espy & Wanderer, Inc.) $200,000

Mohawk Insurance Co.________Common
(R. F. Dowd & Co., Inc.) $900,000

Schneider (Walter J.) Corp.________Common
(Brand, Grumet & Seigel Inc. and Kesselman & Co. Inc.) $600,000

Stratton Corp.________Debentures
(Cooley & Co.) $650,000

Terry Industries, Inc.________Common
(Greenfield & Co. is underwriting the company's stock) 1,728,337 shares

June 19 (Monday)

Allison Business Services, Inc.________Capital
(Hancock Securities Corp.) $300,000

America-Israel Phosphate Co.________Common
(Seminole Securities Co.) $500,000

Audiographic Inc.________Common
(First Broad Street Corp.) $600,000

Broadcast International, Inc.________Common
(Harry Odzer Co.) $300,000

Brooklyn Union Gas Co.________Bonds
(Bids 11 a.m. DST) $20,000,000

Capital for Technical Industries, Inc.________Common
(Dempsey-Tegeler & Co.) $5,000,000

Diotron, Inc.________Common
(Royer Securities Co.) $300,000

Elgeet Optical Co., Inc.________Common
(Troster, Singer & Co.) $1,130,000

First Small Business Corp. of New Jersey__Capital
(Shearson, Hammill & Co. and Heller & Meyer) $3,750,000

Fox-Stanley Photo Products, Inc.________Common
(Equitable Securities Corp.) 387,500 shares

Gilbert Data Systems, Inc.________Common
(Schrijver & Co.) $350,000

Jefferson Construction Co.________Common
(Pistell, Crow, Inc.) $1,870,000

Jefferson Counsel Corp.________Class B Common
(No underwriting) $300,000

Micro Electronics Corp.________Common
(R. Baruch & Co.) $400,000

Model Vending, Inc.________Common
(Milton D. Blauner & Co., Inc.; Hallowell, Sulzberger, Jenks, Kirkland & Co. and M. L. Lee & Co., Inc.) 150,000 shares

New York Trap Rock Corp.________Common
(Smith, Barney & Co.) 175,000 shares

Permian Corp.________Common
(Lehman Brothers and Shearson, Hammill & Co.) 285,000 shares

Suval Industries Inc.________Common
(Milton D. Blauner & Co. and Brukenfeld & Co.) $500,000

Taddeo Bowling & Leasing Corp.________Units
(Lomasney, Loving & Co.) $1,620,000

Western Growth Corp.________Units
(Reese, Scheftel & Co. Inc.) $1,500,000

Wrather Corp.________Common
(Lee Higginson Corp.) 350,000 shares

June 20 (Tuesday)

Consolidated Edison Co. of New York, Inc.__Bonds
(Bids 11 a.m. DST) $50,000,000

Eurofund, Inc.________Common
(Offering to stockholders—underwritten by Glore, Forgan & Co.; Francis I. du Pont & Co. and Shearson, Hammill & Co.) 551,250 shares

Holiday Sportswear, Inc.________Common
(George K. Baum & Co.) 86,000 shares

June 21 (Wednesday)

Development Corp. of America________Common
(Amos Treat & Co. Inc.) $600,000

Hunt Foods & Industries Inc.________Debentures
(Offering to stockholders—underwritten by Goldman, Sachs & Co.) $38,799,500

Union Oil Co. of California________Debentures
(Dillon, Read & Co. Inc.) $60,000,000 (due June 1, 1991)

Union Oil Co. of California________Debentures
(Dillon, Read & Co. Inc.) $60,000,000 (due June 1, 1896)

June 22 (Thursday)

Nash (J. M.) Co., Inc.________Debentures
(Robert W. Baird & Co.) $2,000,000

Northern Illinois Gas Co.________Common
(Offering to stockholders—First Boston Corp. and Glore, Forgan & Co.) 450,037 shares

June 26 (Monday)

Amity Corp.________Common
(Karen Securities Corp.) $226,217

Apache Corp.________Units
(APA, Inc. Minneapolis, Minn.) $4,500,000

Automated Procedures Corp.________Class A
(Jay W. Kaufmann & Co.) $330,000

Bookshelf of America, Inc.________Common
(D. H. Blair & Co.) $299,800

Church Builders, Inc.________Common
(Associates Management, Inc.) $275,000

CompuDyne Corp.________Common
(Hayden, Stone & Co.) 168,000 shares

Faradyne Electronics Corp.________Debentures
(S. D. Fuller Co.) $2,000,000

Fidelity Bankers Life Insurance Corp.________Common
(Lee Higginson Corp. and Shearson, Hammill & Co.) 547,128 shares

Gordon Jewelry Corp.________Class A
(Paine, Webber, Jackson & Curtis) 140,000 shares

Hager, Inc.________Common
(Marron, Sloss & Co., Inc.) 200,000 shares

Harwyn Publishing Corp.________Common
(N. A. Hart & Co.) $412,500

Recreation Enterprises, Inc.________Units
(I. M. Simon & Co.) $550,000

Southwestern States Telephone Co.________Common
(Dean Witter & Co.) 110,000 shares

Triangle Instrument________Common
(Armstrong & Co., Inc.) $300,000

U. S. Home & Development Corp.________Capital
(Auchincloss, Parker & Redpath) 300,000 shares

Vahlsing, Inc.________Common
(Pistell, Crow, Inc.) 300,000 shares

June 27 (Tuesday)

Australia (Commonwealth of)________Bonds
(Morgan Stanley & Co.) $25,000,000

Massachusetts Electric Co.________Bonds
(Bids to be received) $17,500 000

June 28 (Wednesday)

Special Metals, Inc.________Units
(White, Weld & Co. Inc. and Lehman Brothers) 53,125 units

Tennessee Valley Authority________Bonds
(Bids to be received) $50,000,000

June 29 (Thursday)

Capital Properties, Inc.________Units
(Hodgdon & Co. Inc.) $600,000

CMC Finance Group, Inc.________Common
(Auchincloss, Parker & Redpath) 150,000 shares

Electrarc, Inc.________Common
(P. de Rensis & Co., Inc.) $500,000

Empire Life Insurance Co. of America________Capital
(Consolidated Securities Inc.) $300,000

Hardeman (Paul), Inc.________Common
(Michael G. Kletz & Co.) 350,000 shares

Kaiser Aluminum & Chemical Corp.________Common
(First Boston Corp.) 375,000 shares

Wej-It Expansion Products, Inc.________Common
(Amos C. Sudler & Co.) $300,000

June 30 (Friday)

Automatic Canteen Co. of America________Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co.) $20,000,000

International Silver Co.________Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $7,822,000

Taffet Electronics, Inc.________Common
(Fialkov & Co. Inc.) $396,000

July 3 (Monday)

Almar Rainwear Corp.________Common
(D. H. Blair & Co.) 120,000 shares

American Finance Co., Inc.________Units
(Lomasney, Loving & Co.) $1,250,000

Comptometer Corp.________Common
(Offering to stockholders—no underwriting) 160,401 shares

Diamond Crystal Salt Co.________Common
(Kidder, Peabody & Co.) 300,000 shares

Ihnen (Edward H.) & Son, Inc.________Common
(Amos Treat & Co. Inc.) $375,000

Income Properties, Inc.________Class A
(Eisele & King, Lebaire, Stout & Co.) $1,462,500

Investors Preferred Life Insurance Co.________Common
(Life Securities, Inc.) $840,000

Scope, Inc.________Common
(Hodgdon & Co., Inc.) 75,000 shares

Seaboard Electronic Corp.________Common
(Amos Treat & Co. Inc.) $550,000

Survivors' Benefit Insurance Co.________Common
(Offering to stockholders—no underwriting) $1,035,000

Vic Tanny Enterprises, Inc.________Common
(S. D. Fuller & Co.) 320,000 shares

July 5 (Wednesday)

Canandaigua Enterprises Corp.________Units
(S. D. Fuller & Co.) 8,000 units

July 10 (Monday)

Apache Realty Corp.________Units
(Blunt Ellis & Simmons) $5,000,000

Kane-Miller Corp.________Common
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and J. J. Bruno & Co.) $600,000

Superstition Mountain Enterprises, Inc.________Common
(No underwriting) $5,000,000

Vinco Corp.________Debentures
(S. D. Fuller & Co.) $2,000,000

World Color Press, Inc.________Common
(Scherck, Richter Co. and Dempsey-Tegeler & Co.) 218,000 shares

July 11 (Tuesday)

Consolidated Production Corp.________Common
(Shearson, Hammill & Co.) 200,000 shares

July 12 (Wednesday)

California Electric Power Co.________Bonds
(Bids 9 a.m. PST) $8,000,000

July 17 (Monday)

Chemonics Corp.________Common
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000

Marine Structures Corp.________Common
(Grant, Fontaine & Co.) $300,000

July 19 (Wednesday)

Microtron Industries, Inc.________Common
(Amos C. Sudler & Co.) $300,000

July 24 (Monday)

Arcs Industries, Inc.________Debentures
(Lomasney, Loving & Co.) $1,630,000

Fifth Dimension Inc.________Common
(Milton D. Blauner & Co., Inc.) 60,000 shares

Packer's Super Markets, Inc.________Common
(Milton D. Blauner & Co., Inc.) $600,000

Philadelphia Laboratories, Inc.________Common
(Woodcock, Moyer, Fricke & French, Inc.) $600,000

August 1 (Tuesday)

Investors Funding Corp. of New York________Units
(Eisele & King, Libaire, Stout & Co.) $2,600,000

August 8 (Tuesday)

Northern States Power Co.________Bonds
(Bids to be received) $20,000,000

August 15 (Tuesday)

Consumers Power Co.________Bonds
(Bids to be received) $40,000,000

September 27 (Wednesday)

Rochester Gas & Electric Corp.________Bonds
(Bids to be received) $12,000,000

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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—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.

Berlant Automonitor Corp.
May 8, 1961 (letter of notification) 90,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—To repay a loan, purchase equipment; for plant expansion, and working capital. **Office** — 8525 Steller Dr., Culver City, Calif. **Underwriter**—D. E. Liederman & Co., Inc., 80 Pine St., New York, N. Y.

● **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.

Bid D Chemical Co.
May 17, 1961 (letter of notification) 60,000 shares of class a common stock (par $1). **Price** — $5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

Big Boy Properties, Inc.
March 20, 1961 filed 100,000 shares of common stock **Price**—$10 per share. **Business**—The company plans to operate a chain of "Big Boy" restaurants in California. **Proceeds** — For the purchase of restaurants and other properties. **Office**—1001 East Colorado Street, Glendale, Calif. **Underwriter**—None.

Bloomfield Industries, Inc.
May 1, 1961 filed 140,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 100,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and sale of food service equipment (for restaurants, hotels, etc.,) and houseware and hospital products. **Proceeds**—For product expansion, working capital and other corporate purposes. **Office**—4546 West 47th St., Chicago, Ill. **Underwriters** — Westheimer & Co., Cincinnati and Divine & Fishman, Inc., Chicago and New York City. **Offering**—Expected in late June.

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.,

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). **Offering**—Expected in late June.

Bonded Homes, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Office** —2328 N. W. 7th St., Miami, Fla. **Underwriter**—Givens & Co., Inc., 1202 duPont Bldg., Miami 32, Fla.

● **Bookshelf of America, Inc. (6/26-30)**
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.

Bramalea Consolidated Developments, Ltd.
May 19, 1961 filed $6,000,000 (U. S.) of 6½% sinking fund debentures due July 1, 1973, 600,000 shares of common stock and 240,000 12-year warrants (exercisable at $10 per share) to be offered for public sale in units, each consisting of $50 of debentures, five common shares and two warrants. **Price** — $100 per unit. **Business** — The company is building a planned industrial-commercial-residential community at Chinquacousy, Ont., near Toronto. **Proceeds**—To repay debt and for working capital. **Office**—P. O. Box 129, Brampton, Ont., Canada. **Underwriter**—Shields & Co., New York City (managing).

Broadcast International, Inc. (6/19-23)
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.

★ Brockton Edison Co.
June 6, 1961 filed 40,000 shares of preferred (par $100). **Proceeds** — To retire all outstanding 6.40% preferred stock, prepay a bank loan, and for construction. **Office** —36 Main St., Brockton, Mass. **Underwriters**—By competitive bidding. Probable bidders: Kidder, Peabody & Co.; Kuhn, Loeb & Co., and Stone & Webster Securities Corp.

● Brooklyn Union Gas Co. (6/19)
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 19, 1961 (11 a.m. DST).

Builtwell Homes, Inc.
May 25, 1961 filed $1,000,000 of convertible subordinated debentures due 1981 and 300,000 shares of common stock, to be offered for sale in 100,000 units, each consisting of $10 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The construction financing and sale of shell homes. **Proceeds** —For the repayment of debt, the opening of additional sales offices and the financing of home sales. **Office**—Adrian, Ga. **Underwriter**—The Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

★ Business Funds, Inc.
June 2, 1961 filed 1,300,000 shares of capital stock. **Price** —$11. **Business**—A small business investment company. **Proceeds** — For investment. **Office** — 201 Main St., Houston, Texas. **Underwriters**—Clark, Dodge & Co., Inc., New York; Alex. Brown & Sons, Baltimore, and Rotan, Mosle & Co., Houston.

CMC Finance Group, Inc. (6/29)
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.

Cable Carriers, Inc. (6/16)
March 23, 1961 filed 196,109 shares of capital stock. **Price** —To be supplied by amendment. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named.

● Cador Production Corp.
See Consolidated Production Corp., below.

★ Calandra Photo, Inc.
May 29, 1961 filed 170,000 class A shares, including 50,000 to be sold by the company and 120,000 by stockholders. **Price**—By amendment. **Business**—The processing of photographic film, wholesale distribution of photographic equipment, and operation of retail camera stores. **Proceeds**—For exampansion, equipment, and working capital. **Office**—116 North 42nd Street, Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing).

★ California Electric Power Co. (7/12)
June 1, 1961 filed $8,000,000 of first mtge. bonds due 1991. **Proceeds** — For the repayment of bank loans. **Office**—2885 Foothill Blvd., San Bernardino, Calif. **Underwriters** — Competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—July 12 (9 a.m. PST) at the office of O'Melveny & Myers, Room 900, 433 South Spring St., Los Angeles.

★ Calvideo Electronics, Inc.
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—18601 S. Santa Fe Ave., Compton, Calif. **Underwriters**—J. K. Norton & Co. and Stern, Zeiff & Co., Inc., New York.

Canandaigua Enterprises Corp. (7/5)
May 2, 1961 filed $4,000,000 of sinking fund debentures due 1976, 240,000 shares of class A stock, and warrants to purchase 120,000 shares of class A stock to be offered for public sale in units, each consisting of $500 of debentures, 30 class A shares, and 6-year warrants to purchase 15 class A shares at $5 per share. **Price**—To be supplied by amendment. **Business**—The company owns a majority stock interest in Finger Lakes Racing Association, Inc., which is erecting a thoroughbred race track at Canandaigua, New York. The company plans to engage in recreational and entertainment activities and may construct hotels, motels or restaurants adjacent to the race track. **Proceeds**—For construction, working capital and general corporate purposes. **Office**—26 Broadway, New York City. **Underwriter**—S. D. Fuller & Co., New York City (managing).

● Capital For Technical Industries, Inc. (6/19-23)
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.

Capital Properties Inc. (6/29)
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 acquisition of the above properties. **Office**—36 Pearl St., Hartford, Conn. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Capital Southwest Corp.
May 8, 1961 filed 1,250,000 shares of common stock. **Price**—$11 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office** —6517 Hillcrest Avenue, Dallas, Texas. **Underwriter**— Rotan, Mosle & Co., Houston, Texas (managing).

● 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).

● Chemonics Corp. (7/17)
Nov. 14, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of printed circuits for the missile industries. **Proceeds** — For general corporate purposes and working capital. **Office**—990 S. Fairoaks Ave., Pasadena, Calif. **Underwriters**—Grant, Fontaine & Co., Oakland, Calif. (managing); Evans MacCormack & Co., Los Angeles, Calif.; Stone & Youngberg, San Francisco and Sellgren, Miller & Co., Oakland, Calif.

Chester Litho Inc.
May 12, 1961 filed 100,000 shares of common stock. **Price** —$4 per share. **Business**—Commercial printing and art. **Proceeds**—For working capital. **Office**—Chester, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York City (managing).

Chock Full O' Nuts Corp. (6/16)
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).

★ Chrislin Photo Industries Corp.
May 29, 1961 ("Reg. A.") 50,000 shares of class A stock (par five cents). **Price**—$6. **Business**—Developing and designing products. **Proceeds** — For general corporate purposes. **Office** — 17 Jeffrey Lane, Hicksville, N. Y. **Underwriter**—Lewis Wolf, Inc., New York.

Chroma-Glo, Inc. (6/15)
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. (6/26-30)
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.

Cinema Syndicate, Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The production of motion pictures. **Proceeds**—For the repayment of loans; purchase of equipment; production of four motion pictures, and working capital. **Office** —619 W. 54th St., New York, N. Y. **Underwriter**—Fontana Securities, Inc., New York, N. Y.

City Products Corp. (6/12-16)
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).

● Clark Equipment Credit Corp. (6/9)
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).

★ Clarkson N. Potter, Inc.
May 29, 1961 ("Reg. A.") 165,000 common shares (par one cent). **Price**—$1. **Business**—Book publishers. **Proceeds**—For printing; authors' advances; advertising and promotion; royalties and other corporate purposes. **Office**—c/o Goldstein, Judd & Gurfein, 655 Madison Ave., New York 21, N. Y. **Underwriter**—None.

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.

Color Reproductions, Inc.
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Color-Tone Originals, Inc.
May 1, 1961 (letter of notification) 37,500 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — Manufacturers of greeting cards. **Proceeds** — For advertising; inventory; machinery and working capital. **Office**—112 Pearl St., Mt. Vernon, N. Y. **Underwriter**— D. Klapper Associates, Inc., New York, N. Y.

● Colorplate Engraving Co. (6/12-16)
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.

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.

● Comptometer Corp. (7/3)
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

CompuDyne Corp. (6/26)
May 12, 1961 filed 168,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 48,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The furnishing of instruments and systems for missile sites, and the design, development, assembly and manufacture of electronic and other devices used in the automatic control of aeronautical and missile test facilities. **Proceeds**—For inventory expansion, research and development, the redemption of outstanding 6% debentures due Dec. 1, 1961, and working capital. **Office**—404 South Warminster Rd., Hatboro, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing).

● 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. **Offering**—Imminent.

★ Conolite, Inc.
June 1, 1961 filed 170,000 class A shares. **Price** — $5. **Business**—Manufacturers "Conolite," a laminate used in the construction, furniture and aircraft industries and for electrical insulation. **Proceeds**—For the purchase of the "Conolite" business of Continental Can Co., Inc.; the repayment of debt; moving expenses, and working capital. **Office**—Suite 414, 52 Broadway, New York. **Underwriter**—Amos Treat & Co., Inc., New York.

Consolidated Bowling Corp.
March 29, 1961 filed 738,000 shares of common stock and $900,000 of 6% convertible subordinated debentures, due in July, 1981. **Prices**—For the stock: $3.50 per share; for the debentures: 100% of principal amount. **Business** —Operates bowling centers and owns real estate. **Proceeds** — For expansion. **Office** — 880 Military Road, Niagara Falls, N. Y. **Underwriter**—None.

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Consolidated Edison Co. of New York, Inc. (6/20)
May 9, 1961 filed $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.

● **Consolidated Production Corp. (7/11-15)**
May 26, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp.

Consumers Automatic Vending, Inc. (6/12-16)
March 31, 1961 filed 125,000 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.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

Cosnat Record Distributing Corp.
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Underwriter**—Amos Treat & Co., New York City (managing). **Office**—315 West 47th Street, New York City.

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. (6/12-16)
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).

Custom Shell Homes, Inc.
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Dallas Airmotive, Inc.
May 26, 1961 filed 390,000 shares of common stock, of which 350,000 shares are to be offered for public sale by the company and 40,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The overhaul of aircraft engines for commercial and military customers. **Proceeds** — For realty acquisitions, the repayment of debt, and for expansion. **Office**—6114 Forest Park Road, Dallas, Texas. **Underwriter** — Eppler, Guerin & Turner, Inc., Dallas (managing).

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.

Davenport Water Co.
May 15, 1961 (letter of notification) 3,000 shares of 5½% cumulative preferred stock. **Price** — At par ($100 per share). **Office**—214 Perry St., Davenport, Iowa. **Underwriter**—Quail & Co., Inc., Davenport, Iowa.

● **De-Flectronics, Inc. (6/15)**
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 E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., (managing) and T. M. Kirsch & Co., both of New York City.

● **De Soto Chemical Coatings, Inc. (6/12-16)**
May 4, 1961 filed 1,000,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof (Sears, Roebuck & Co.). **Price**—To be related to the current market price of the stock on the New York Stock Exchange at the time of the sale. **Business** — The manufacture and sale of paints, industrial coatings and wallpaper. **Proceeds**—For the selling stockholder. **Address**—1350 South Koster Ave., Chicago, Ill. **Underwriters** — Goldman, Sachs & Co., and Lehman Brothers, New York City.

● **Decitron Electronics Corp. (6/12)**
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.

Denver Real Estate Investment Fund
May 15, 1961 filed 600,000 shares in the Fund. **Price**—To be supplied by amendment. **Business**—The Fund will offer investors the opportunity to participate jointly in large and diversified real estate investments which offer promise of growth and increased values. **Proceeds**—For investment. **Office**—660 17th Street, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., and Boettcher & Co., both of Denver, Colo. (managing).

Development Corp. of America (6/21)
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).

● **Diamond Crystal Salt Co. (7/3-7)**
May 22, 1961 filed 300,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 916 South Riverside Drive, St. Clair, Mich. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Diotron, Inc. (6/19-23)
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. (6/12-16)**
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).

● **Dixon Chemical & Research, Inc. (6/12-16)**
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).

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.

● **Dolomite Glass Fibres, Inc. (6/5-9)**
Dec. 27, 1960 filed 500,000 shares of 7% preferred stock (cumulative - convertible); 50,000 class A common shares (voting) and 300,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter** — None. **Offering**—Imminent.

Donnelley (R. R.) & Sons Co.
May 17, 1961 filed 270,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is the largest commercial printer in the U. S. **Proceeds**—To selling stockholders. **Office**—350 E. 22nd St., Chicago 16, Ill. **Underwriter**—Harriman Ripley & Co., New York City (managing).

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.

Dumas Milner Corp.
May 24, 1961, filed $2,000,000 of 6% convertible subordinated debentures due 1971, and 400,000 outstanding shares of class A common stock to be offered for public sale by the present holders thereof. The securities will be sold in 200,000 units, each consisting of one $10 par debenture and two class A shares. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of products used in cleaning, sanitation maintenance and household laundering. **Proceeds**—For the repayment of debt and product expansion. **Office**—Jackson, Miss. **Underwriter**—Courts & Co., Atlanta, Ga. (managing).

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**—First Broad Street Corp., Inc., New York, N. Y. **Note**—This company formerly was named Eastern Camera Exchange, Inc. June 7, 1961 it was reported that First Broad Street Corp., had withdrawn as underwriter. New underwriter is Street & Co., Inc., New York.

● **Eastern Lime Corp.**
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).

Eichler Homes, Inc.
May 16, 1961 filed $2,000,000 of convertible subordinated debentures due June 1, 1973. **Price**—To be supplied by amendment. **Business**—The erection of apartments and homes in So. California. **Proceeds**—For the purchase of additional land. **Office**—Palo Alto, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

Electra International, Ltd.
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriters**—Robert A. Martin Associates, Inc., and Ezra Kureen Co., both of New York City.

● **Electrarc, Inc. (6/29)**
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. **Offering**—Expected in June.

Electronic Products Corp.
May 11, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2 per share. **Office**—4642 Belair Rd., Baltimore, Md. **Underwriters**—Bertner Bros. and Earl Edden & Co., New York, N. Y.

Electronics Capital Corp.
May 25, 1961 filed 612,463 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The company is licensed under the Small Business Investment Act of 1958 and provides long-term investment capital and management services to small business concerns in the electronics field. **Proceeds**—For investment. **Office**—1400 Fifth Ave., San Diego, Calif. **Underwriter**—Bear, Stearns & Co., New York City (managing).

Elgeet Optical Co., Inc. (6/19)
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).

Empire Life Insurance Co. of America (6/29)
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.

Enterprise Hotel Development Corp.
May 19, 1961 filed 242,000 shares of common stock and 9,680 shares of preferred stock (par $100) to be offered for public sale in units of one preferred and 25 common shares. **Price**—$150 per unit. **Business**—The company was formed by the Commonwealth of Puerto Rico to build and own a luxury, beach-front hotel in San Juan. The hotel will be operated under a 30-year lease by a subsidiary of Sheraton Corp. of America. **Proceeds**—For construction. **Office**—1205 Ponce de Leon Avenue, Santurce, P. R. **Underwriter**—None.

Equity Capital Co. (6/12-16)
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).

★ Ets-Hokin & Galvan, Inc.
June 1, 1961 filed 209,355 common shares, including 100,000 to be sold by the company and 109,355 by stockholders. **Price**—By amendment. **Business**—Installs electrical and electronic systems in missile installations. **Proceeds**—For general corporate purposes. **Office**—551 Mission St., San Francisco, Calif. **Underwriter** — Van Alstyne, Noel & Co., New York (managing).

• Eurofund, Inc. (6/20)
May 18, 1961 filed 551,250 shares of common stock (par $1) to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—To be supplied by amendment. **Business**—The Fund invests in securities of companies having operations in the Common Market Area of Europe. **Proceeds**—For investment. **Office**—14 Wall Street, New York City. **Underwriters**—Glore, Forgan & Co., (managing); Francis I. du Pont & Co.; Shearson, Hammill & Co., all of New York City.

Fairfield Controls, Inc.
May 19, 1961 filed 150,000 shares of common stock. **Price**—$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—Globus, Inc., and Lieberbaum & Co., both of New York City.

• Faradyne Electronics Corp. (6/26-30)
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 working capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

Federal Factors, Inc.
May 8, 1961 filed $700,000 of 6½% convertible subordinated debentures due 1976 and 70,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A finance company. **Proceeds**—To repay loans, and for working capital. **Office**—400 S. Beverly Drive, Beverly Hills, Calif. **Underwriters**—Thomas Jay, Winston & Co., Beverly Hills, Calif.; Maltz, Greenwald & Co. and Globus, Inc., New York, N. Y.

★ Ferson Optics, Inc.
May 29, 1961 ("Reg. A.") 75,000 common shares (no par). **Price**—$4. **Proceeds**—To purchase machinery for development and promotion, and working capital. **Address**—Ocean Springs, Miss. **Underwriters**—McLarty & Duddleston, Jackson Miss.; Beil & Hough, Inc., St. Petersburg, Fla.; J. C. Bradford & Co., Nashville, Tenn.; Clement A. Evans & Co., Inc. and Robinson-Humphrey Co., Inc., Atlanta, Ga. and Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.

• Fiat Metal Manufacturing Co., Inc. (6/12-16)
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.

Fidelity Bankers Life Insurance Corp. (6/26-30)
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).

• Fifth Dimension Inc. (7/24-28)
May 25, 1961 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of precision instruments for measurement and control applications. **Proceeds** — For research and new product development. **Office**—P. O. Box 483, Princeton, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., New York City (managing).

First Diversified Fund
May 15, 1961 filed 20,000 shares of the Fund. **Price**—$100 per share. **Business**—The Fund was organized in May, 1961, to provide investors with an opportunity to own an interest in diversified income-producing properties, chiefly real estate. **Proceeds**—For investment. **Office**—627 Salem Avenue, Dayton, Ohio. **Sponsor**—The Dahio Co., Dayton, Ohio.

★ First National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

• First Small Business Corp. of New Jersey (6/19-23)
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.

★ First Surety Corp.
May 31, 1961 filed 736,493 outstandnig shares of capital stock to be offered for sale by stockholders. **Price**—By amendment. **Business**—The company owns Surety Savings & Loan Association, a California corporation; operates an insuranec agency, and acts as a trustee under deeds of trust . **Proceeds** — For general corporate purposes. **Office**—237 Olive Ave., Burbank, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

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.

Flora Mir Candy Corp.
May 24, 1961 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The manufacture of candy products. **Proceeds**—For repayment of loans; working capital, and expansion. **Office**—1717 Broadway, Brooklyn, N. Y. **Underwriters**—Security Options Corp.; Jacey Securities Co. and Planned Investing Corp. all of New York City.

Ford Motor Co.
May 26, 1961 filed 2,750,000 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 at the time of the sale. **Proceeds**—For the selling stockholder (the Ford Foundation). **Office**—Dearborn, Mich. **Underwriter**—Blyth & Co., Inc., New York City (managing). **Offering**—Expected in late June.

Fox-Stanley Photo Products, Inc. (6/19-23)
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.

Frontier Airlines, Inc.
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

G-W Ameritronics, Inc. (6/15)
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.

• Garan Inc.
May 29, 1961 filed 120,000 shares of common stock. **Price**—$6.50 per share. **Business**—The manufacture of men's and boys' sport shirts. **Proceeds**—To equip a new plant at Lambert, Miss., and for working capital. **Office**—112 W. 34th Street, New York City. **Underwriter**—J. R. Williston & Beane, New York City (managing). **Offering**—Expected in late July.

General Economics Corp.
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 West 62nd Street, New York City. **Offering**—Expected in June.

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.

★ Getz (William) Corp.
June 6, 1961 filed 105,000 shares of common of which 80,000 shares are to be offered by the company and 25,000 shares by a stockholder. **Price**—By amendment. **Proceeds**—For repayment of a bank loan and general corporate purposes. **Office**—7512 S. Greenwood Ave., Chicago. **Underwriter**—Bacon, Whipple & Co., Chicago.

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.

Gibbs (T. R.) Medicine Co., Inc.
May 26, 1961 filed 110,000 shares of class A stock. **Price**—$3 per share. **Business**—The manufacture, marketing and distribution of proprietary drug products. **Proceeds**—For advertising and general corporate purposes. **Office**—1496 H Street, N. E., Washington, D. C. **Underwriter**—None.

• Gilbert Data Systems, Inc. (6/19-23)
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.

• Gilbert Youth Research, Inc.
May 29, 1961 filed 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business** — The company conducts consumer research, does telephone sales promotion and prepares articles and books which are related to or relate to merchandising advice to the teenage youth and student fields. **Proceeds**—For working capital. **Office**—205 E. 42nd Street, New York City. **Underwriter**—McDonnell & Co., N. Y.

Gimbel Brothers, Inc. (6/12-16)
May 11, 1961 filed $25,000,000 of sinking fund debentures, due June 1, 1981. **Price** — To be supplied by amendment. **Business**—The issuer, together with its subsidiaries, constitutes one of the country's larger department store organizations. **Proceeds** — About $7,850,000 will be used to redeem the issuer's $4.50 cumulative preferred stock, with the balance to be used for construction of branch stores and general corporate purposes. **Office**—33rd St. and Broadway, New York City. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co., both of New York City (managing).

Girard Industries Corp. (6/12-15)
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.

Golden Triangle Industries, Inc. (6/15)
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.

Goodway Printing Co.
May 23, 1961 filed 247,500 shares of no par capital stock, of which 60,000 shares are to be offered for public sale by the company and 187,500 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Commercial printing and the publication of technical journals for prime defense contractors. **Proceeds**—For working capital. **Office**—4030 Chestnut St., Philadelphia, Pa. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Expected in July.

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.

Gordon Jewelry Corp. (6/26-30)
May 5, 1961 filed 140,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company conducts a retail credit jewelry business and has two life insurance subsidiaries. **Proceeds**—For expansion. **Office**—Stewart Bldg., Houston, Texas. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Greater Arizona Mortgage Co.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**

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—For working capital. **Office**—Mayer Central Building, Suite 115, Phoenix, Ariz. **Underwriters**—Henry Fricke Co., New York, N. Y. and Preferred Securities, Inc., Phoenix, Ariz.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing).

Gulf Oil Corp.
May 26, 1961 filed 1,670,000 outstanding shares of capital stock (par $8.333) to be offered for public sale by the present holders thereof. **Price**—To be related to the current market price at the time of the sale. **Proceeds**—For the selling stockholders. **Office**—Gulf Bldg., Pittsburgh 30, Pa. **Underwriter**—First Boston Corp., New York City (managing). **Offering**—Expected in late June.

Gulf-Southwest Capital Corp.
May 19, 1961 filed 1,250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company is licensed as a small business investment concern. **Proceeds**—For investment. **Office**—Esperson Building, Houston, Texas. **Underwriters**—Harriman Ripley & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston (managing).

● **Hager Inc. (6/26-30)**
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.

● **Handmacher-Vogel, Inc.**
May 17, 1961 245,000 shares of common stock, of which 94,950 shares are to be offered for public sale by the company and 120,050 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's suits and costumes. **Proceeds**—For the purchase of equipment and inventory and for plant modernization. **Office**—533 7th Ave., New York City. **Underwriter** — Butcher & Sherrerd, Philadelphia, Pa.

● **Hardeman (Paul), Inc. (6/29)**
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. Kletz & Co., New York City (managing).

Harvey Aluminum (Inc.)
May 16, 1961 filed 1,000,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The production of primary aluminum and aluminum mill products. **Proceeds**—For expansion. **Office**—19200 So. Western Ave., Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co., Inc., and Tucker, Anthony & R. L. Day, both of New York City (managing). **Offering**—Expected in late June.

Harvey House, Inc.
May 8, 1961 filed 140,000 shares of common stock. **Price**—$3 per share. **Business**—The publication and distribution of educational books and materials. **Proceeds** — For expansion and the repayment of debt. **Office**—5 South Buckout Street, Irvington-on-Hudson, New York. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

● **Harvey's Stores, Inc. (6/16)**
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). **Offering**—Expected in mid-June.

● **Harwyn Publishing Corp. (6/26)**
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.

Hathaway Instruments, Inc.
May 5, 1961 filed 351,280 shares of common stock, of which up to 90,000 shares are to be offered for public sale by the present holders thereof and the balance by the company. **Price** — At-the-market at time of sale. **Business**—The design, manufacture and sale of electric power recording instruments. **Office**—2401 E. Second Avenue, Denver, Colo. **Underwriters**—Bear, Stearns & Co. and Wertheim & Co., New York, N. Y.

★ **Hazeltine Investment Corp.**
June 5, 1961 filed 13,000 5% preferred shares ($100 par) and 13,000 common shares to be offered for sale in units of one preferred and one common share. **Price**—$101 per unit. **Business**—The acquisition and development of real estate. **Proceeds** — For investment, repayment of debt, and working capital. **Office**—660 Grain Exchange, Minneapolis. **Underwriter**—None.

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. (6/20)**
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. **Underwriter**—George K. Baum & Co., Kansas City, Mo. (managing).

Home-Maker Stores, Inc.
May 17, 1961 (letter of notification) 85,700 shares of common stock (par $2.50). **Price**—$3.50 per share. **Office**—2306 Foshay Tower, Minneapolis, Minn. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

● **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. **Offering**—Imminent.

Hunt Foods & Industries Inc. (6/21)
May 23, 1961 filed $38,799,500 of convertible subordinated debentures due July 1, 1986, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 12 shares held. **Price**—To be supplied by amendment. **Business** — The company processes, packages and distributes food and grocery products. **Proceeds**—For construction and working capital. **Office**—Fullerton, Calif. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Hydro-Space Technology, Inc.
May 12, 1961 filed 300,000 shares of common stock, of which 155,000 shares are to be offered for public sale by the company and 145,000 outstanding shares by the present holders thereof. **Price**—$3 per share. **Business**—The design, engineering, production and sale of cartridge actuated devices, the evaluation of propulsion systems and propellants, and the production of buoyancy devices for underwater research and defense. **Proceeds**—For new equipment and facilities, the repayment of loans and working capital. **Office**—West Caldwell, N. J. **Underwriters**—Michael G. Kletz & Co., Inc., and John H. Kaplan & Co., both of New York City.

Hydrodyne Industries, Inc.
May 19, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $2.50 per share. **Business** — The manufacture of hydraulic components. **Proceeds** — For purchase of equipment and inventory; marketing and sales promotion; repayment of loans; research and development; moving expenses and installation costs; preparation of catalogues and other literature; reserves and general corporate purposes. **Office** — 15 Holman Boulevard, Hicksville, L. I., N. Y. **Underwriter**—United Planning Corp., Newark, N. J.

● **Hydroswift Corp. (6/12-16)**
Oct. 20, 1960 filed 120,000 shares of common stock. **Price**—$3 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**—Industrial Securities Corp. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Expected in late July.

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.

Ihnen (Edward H.) & Son, Inc. (7/3)
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter** — Amos Treat & Co., Inc., New York City (managing).

Income Planning Corp. (6/16)
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. (7/3)**
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, Libaire, Stout & Co., New York City (managing).

Independence Life Insurance Co. of America
May 24, 1961 filed 150,000 shares of capital stock, of which 100,000 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 writing of life and disability insurance, principally in southern California. **Proceeds**—To be added to the company's general funds. **Office**—99 South Lake Ave., Pasadena, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Industrial Control Products, Inc. (6/15)
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. **Offering**—Imminent.

Industrial Materials, Inc.
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter**—Atlantic Equities Co., Washington, D. C.

★ **Information for Industry, Inc.**
May 24, 1961 ("Reg. A.") 60,000 common shares, (par 25 cents). **Price**—$5. **Proceeds**—For product development, inventory, and working capital. **Office**—1000 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Mackall & Coe, Washington, D. C.

Inland Life Insurance Co.
May 18, 1961 filed 375,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The writing of non-participating ordinary life and group life insurance. **Proceeds**—For investment and general corporate purposes. **Office**—175 West Jackson Boulevard, Chicago, Ill. **Underwriter**—A. G. Becker & Co., Chicago (managing).

● **International Cablevision Corp.**
May 23, 1961 filed 164,850 shares of class A common stock. **Price**—$10 per share. **Business**—The construction and operation of television cable systems. **Proceeds**—For expansion, general corporate purposes, and to offset deficits anticipated during the commencement of certain Florida operations. **Office**—New York City. **Underwriter**—James Anthony & Co., Inc., New York City (managing).

International Flight Caterers, Inc.
May 1, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Proceeds**—For plant facilities, special food trucks and working capital. **Address**—Miami, Fla. **Underwriter**—Amber, Burstein & Co., Inc., 40 Exchange Place, New York, N. Y.

★ **International Marine, Inc.**
May 29, 1961 ("Reg. A.") 75,000 common shares (par one cent) of which 60,000 are to be sold by the company and 15,000 by the underwriter. **Price**—$4. **Proceeds**—For repayment of debt, advertising, inventory, and working capital. **Office**—790 N. E. 79th St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

International Silver Co. (6/30)
May 16, 1961 filed $7,822,000 of convertible subordinated debentures due Aug. 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 15 shares held of record June 30 with rights to expire about July 17. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of silverware, flatware and table accessories. **Proceeds**—For the retirement of such 7% cumulative preferred shares as are tendered to the company during a period commencing June 12. **Office**—16 East 40th Street, New York City. **Underwriter**—Lehman Brothers, New York City (managing).

Invesco Collateral Corp.
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

● **Investors Funding Corp. of New York (8/1)**
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. (7/3)
March 30, 1961 filed 400,000 shares of common stock. **Price**—$2.40 per share. **Business**—The company is au-

thorized 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.

"Isras" Israel-Rassco Investment Co. Ltd.
March 27, 1961 filed 30,000 shares of ordinary stock. **Price**—$62 per share. The company may, but is not obligated to, accept payment in State of Israel bonds. **Proceeds**—For the construction of hotels, office buildings, housing projects and the like. **Office**—Tel Aviv, Israel. **Underwriter**—None.

Ivest Fund, Inc. (6/15)
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**—Ivest, Inc., One State Street, Boston, Mass.

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.

● **Jefferson Construction Co. (6/19)**
May 10, 1961 filed 340,000 shares of common stock, of which 110,000 shares are to be offered for public sale by the company and 230,000 outstanding shares by the present holders thereof. **Price**—$5.50 per share. **Business**—The company bids on government contracts for the erection of buildings, roads, dams, airstrips and canals and undertakes construction contracts for private commercial interests on a lump sum or a cost-plus-fixed-fee basis. **Proceeds**—For the purchase of equipment. **Office**—75 First St., Cambridge, Mass. **Underwriter**—Pistell, Crow, Inc., New York City.

● **Jefferson Counsel Corp. (6-19-23)**
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None. **Offering**—Expected about mid-June.

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. (6/12-16)**
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. **Note**—Fidelity Investors Service is no longer underwriting this issue.

● **Kaiser Aluminum & Chemical Corp. (6/29)**
May 31, 1961 filed 375,000 shares of common stock, of which 250,000 shares are to be sold for the account of the company and 125,000 shares for the selling stockholder. **Price**—To be supplied by amendment. **Business**—The company is a major producer of primary aluminum and fabricated aluminum products. **Proceeds**—For working capital. **Office**—300 Lakeside Drive, Oakland, Calif. **Underwriter**—First Boston Corp., New York City and Dean Witter & Co., San Francisco, Calif.

● **Kaiser Aluminum & Chemical Corp.**
March 30, 1961 filed 61,169 outstanding shares of 4¾% cumulative convertible (1961 series) preference stock ($100 par) and 305,834 outstanding shares of common stock, to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a producer of primary aluminum and aluminum products. **Proceeds**—For the selling stockholders. **Office**—300 Lakeside Drive, Oakland, Calif. **Underwriter**—None. **Note**—This statement wis withdrawn June 2.

● **Kane-Miller Corp. (7/10-14)**
May 17, 1961 filed 120,000 shares of common stock. **Price**—$5 per share. **Business**—The company is a wholesaler and distributor of grocery products to institutions, restaurants, steamship lines and the like. **Proceeds**—For inventory, and working capital. **Office**—81 Clinton Street, Yonkers, N. Y. **Underwriters**—Netherlands Securities Co., Inc., and Seymour Blauner Co., both of New York City and J. J. Bruno & Co., Pittsburgh, Pa.

★ **Keltner Electronics, Inc.**
May 31, 1961 ("Reg. A.") 150,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For research, working capital and repayment of debt. **Office**—1045 W. Hampden St., Englewood, Colo. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., 1717 Stout St., Denver, Colo.

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

Kreisler (Charles), Inc.
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. **Note**—Albion Securities Co., has withdrawn as underwriter.

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.

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. (6/12-16)
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.

Lanvin-Parfums, Inc.
May 17, 1961 filed 440,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The importation and distribution in the U. S. of French perfumes. **Proceeds**—To E. L. Cournand, the issuer's president, selling stockholder. **Office**—767 5th Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Lewis & Clark Marina, Inc.
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter**—E. W. Behrens & Co., Inc., Sioux Falls, S. D.

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.

Lithonia Lighting, Inc.
May 23, 1961 filed 226,000 shares of common stock of which 136,000 shares are to be sold for the account of the company and 90,000 shares for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture of fluorescent lighting fixtures for commercial, institutional and industrial buildings. **Office**—Conyers, Ga. **Underwriters**—Bache & Co., New York City and Robinson-Humphrey Co., Inc., Atlanta, Ga.

Long Island Bowling Enterprises, Inc.
May 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The operation of bowling alleys. **Proceeds**—For general corporate purposes. **Address**—Mattituck, L. I., N. Y. **Underwriter**—Tau Inc New York, N. Y.

★ **Long Island Lighting Co.**
June 2, 1961 filed $25,000,000 of first mtge. bonds, series L, due 1991. **Proceeds**—For construction. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—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). **Offering**—Expected in late July.

● **Lorillard (P.) Co. (6/12)**
May 11, 1961 filed $40,000,000 of sinking fund debentures due June 1, 1986. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cigarettes, chewing tobacco and little cigars. **Proceeds**—For the repayment of bank loans. **Office**—200 East 42nd St., New York City. **Underwriters**—Lehman Brothers and Smith, Barney & Co., both of New York City.

Lytton Financial Corp. (6/15)
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).

★ **M. B. M. Corp.**
May 26, 1961 ("Reg. A.") $300,000 of 6½% sinking fund equipment notes to be offered in units of $1,000. June 2, 1961 filed $25,000,000 of firt mtge. bonds, series **Price**—At par. **Proceeds**—For repayment of loans, and working capital. **Office**—1331 S. 20th St., Omaha, Neb. **Underwriter**—First Trust Co. of Lincoln, Neb.

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. **Business**—The distribution of photographic supplies to amateur and professional photographers. **Proceeds**—For working capital and general corporate purposes. **Office**—220 Luckie St., N. W., Atlanta, Ga. **Underwriter**—Robinson-Humphrey Co., Inc., Atlanta, Ga. (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**—5309 South Park Blvd., 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.

★ **Magna Pipe Line Co. Ltd.**
June 1, 1961 filed 750,000 common shares, of which 525,000 will be offered for sale in the U. S., and 225,000 in Canada. **Price**—By amendment. **Business**—The company plans to build and operate an underwater natural gas transmission pipeline from British Columbia to Vancover Island and a subsidiary will build a pipeline from Bremerton to Port Angeles, Washington. **Proceeds**—For construction. **Office**—508 Credit Foncier Bldg., Vancouver, B. C. **Underwriters**—(In U. S.) Bear, Stearns & Co., New York. (In Canada) W. C. Pitfield & Co., Ltd., Montreal.

Marcon Electronics Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—Manufacture of electrical and electronic equipment. **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y. **Offering**—Imminent.

Marine & Electronics Manufacturing Inc. (6/12-16)
Sept. 22, 1960 (letter of notification) 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—319 W. Howard St., Hagerstown, Md. **Underwriter**—Lecluse & Co., Washington, D. C. **Offering**—Expected in early June.

● **Marine Structures Corp. (7/17)**
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

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.

★ **Mercury Horseshoe Co.**
May 24, 1961 ("Reg. A.") 206,310 common shares. **Price**—At par ($1). **Proceeds**—For purchase of inventory and equipment, and for working capital. **Office**—12 E. 21st St., Baltimore 18, Md. **Underwriter**—None .

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**—

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Russell & Saxe, Inc., (managing); Thomas, Williams & Lee, Inc., and V. S. Wickett & Co., New York City. **Offering**—Expected in mid-June.

● Metropolitan Securities, Inc. (6/12-16)
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.

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. (6/19-23)
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).

★ Micro Tek Engineering Corp.
May 25, 1961 (letter of notification) 60,600 shares of class B common (par $1) to be offered for subscription by present stockholders on the basis of one share for each five shares held. **Price**—$3.60. **Proceeds**—For loans to subsidiaries. **Office** — 550 Oak Villa Blvd., Baton Rouge, La. **Underwriter**—None.

● Microtron Industries, Inc. (7/19)
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 Semiconductor & Instruments Inc.
May 12, 1961 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The research, development, manufacture and sale of microwave devices and instruments. **Proceeds**—For additional equipment, research, inventory and working capital. **Office** — 116-06 Myrtle Avenue, Richmond Hill, N. Y. **Underwriter** — First Investment Planning Co., Washington, D. C.

★ Mid-Continent Corp.
June 5, 1961 filed 140,000 common shares. **Price**—$7.50. **Business** — General real estate. **Proceeds** — For investment and advances to subsidiaries. **Office**—997 Monroe Ave., Memphis. **Underwriter**—James N. Reddock & Co., Memphis.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85 cents of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds**—To start its lending activities. **Address**—P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

★ Mill Factors Corp.
May 31, 1961 filed 75,000 common shares. **Price** — By amendment. **Business**—General factoring in the textile and apparel fields. **Proceeds**—For working capital, and the repayment of debt. **Office**—380 Park Ave., South, New York. **Underwriter** — Lee Higginson Corp., New York (managing).

Minnesota 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.

Miratel Electronics, Inc.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par 30 cents). **Price**—$3 per share. **Proceeds**—To repay notes, for research and development, equipment and working capital. **Office**—1st St., Southeast & Richardson St., New Brighton, Minn. **Underwriter**—None.

● 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. **Offering**—Imminent.

Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y.

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), Salomon Brothers & Hutzler. **Bids**—To be received on June 12 at 11 a.m. (DST) in Room 1900, 60 Broadway, New York City. **Information Meeting**—Scheduled to be held June 6, at 11 a.m. (DST) second floor, Bankers Trust Co., 16 Wall St., New York City.

● Model Vending, Inc. (6/19-23)
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), Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa., and M. L. Lee & Co., Inc., New York City. **Offering**—Expected about mid-June.

Modern Homes Construction Co.
May 10, 1961 filed $5,500,000 of subordinated debentures due June 15, 1981 and 550,000 shares of common stock to be offered for public sale in 275,000 units, each unit consisting of $20 principal amount of debentures and two common shares. **Price**—To be supplied by amendment. **Business**—The construction, financing and sale of shell homes principally in the southern and southwestern portions of the U. S. **Proceeds**—To finance the sale of additional shell homes. **Office**—P. O. Box 1331, Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., 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. (6/16)
Aug. 8, 1960, filed 75,000 shares of class A common stock **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

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. (6/15)
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.

Motor Travel Services, Inc. (6/12-16)
May 2, 1961 (letter of notification) 260,000 shares of common stock (par 25 cents). **Price**—$1.15 per share. **Proceeds**—For an advertising program and working capital. **Office** — 1521 Hennepin Avenue, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 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 units) 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.

★ Nail-Tone, Inc.
May 26, 1961 ("Reg. A.") 86,250 common shares (par 10 cents). **Price**—$3. **Proceeds**—For research and working capital. **Office** — 1515 N. E. 2nd Ave., Miami, Fla. **Underwriters**—Aetna Securities Corp., New York; Roman & Johnson, Fort Lauderdale, Fla.; Nolting, Nichol & O'Donnell, Inc., Pensacola, Fla. and Guardian Securities Corp., Miami, Fla.

● Nash (J. M.) Co., Inc. (6/22)
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).

● National Bagasse Products Corp.
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, Friedrichs & Co., New Orleans (managing). **Offering**—Imminent.

● 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).

● National Radiac, Inc. (6/12-16)
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 the detection and measurement of ionizing radiation. The company also produces the high quality crystals which serve as integral components of the detection instruments. **Proceeds** — For working capital and general corporate purposes. **Address** — Newark, N. J. **Underwriter**—Hardy & Hardy, New York, N. Y.

National Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters** — Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing).

● New York Trap Rock Corp. (6/19-23)
May 19, 1961 filed 175,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The quarrying, processing and marketing of crushed stone. **Proceeds**—For expansion. **Office**—162 Old Mill Road, West Nyack, N. Y. **Underwriter**—Smith, Barney & Co., New York City (managing).

Nissen Trampoline Co.
May 4, 1961 (letter of notification) 9,400 shares of common stock (par $1). **Price**—At the market. **Proceeds**—For the selling stockholders. **Office**—930 27th Ave., S.W., Cedar Rapids, Iowa. **Underwriter** — Yates, Heitner & Woods, St. Louis, Mo.

Nitrogen Oil Well Service Co.
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅕ shares held; and $10.60 per any unsubscribed shares. **Business**—The company furnishes high pressure nitrogen to the oil and gas industry. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office**—3602 W. 11th St., Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas.

★ North Atlantic Life Insurance Co. of America
June 2, 1961 filed 1,386 common shares. **Price**—$350. **Business**—The company has applied for a New York State license to sell life, accident and health insurance and annuities. **Proceeds**—For general corporate purposes. **Office** — Meadow Brook National Bank Bldg., Mineola, N. Y. **Underwriter**—None.

North Electric Co.
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 Illinois Gas Co. (6/22-7/11)
May 24, 1961 filed 450,037 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each 16 shares held of record June 22, with rights to expire July 11. **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—50 Fox St., Aurora, Ill. **Underwriters** — First Boston Corp., and Glore, Forgan & Co., both of New York City.

Oceanarium, Inc.
May 22, 1961 filed 125,000 shares of common stock, of which 62,500 shares are to be offered for public sale by the company and 62,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company operates "Marineland of the Pacific," an exhibition of fish and trained aquatic animals, near Los Angeles, Calif. **Proceeds**—For working capital. **Office**—Marineland, Los Angeles County, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

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.
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. **Offering** — Expected about mid-June.

Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y.

Outdoor Development Co., Inc.
May 25, 1961 filed $2,705,000 of subordinated debentures due June 1, 1976, warrants to purchase 108,200 shares of common stock, and 324,600 shares of common stock to be offered for public sale in 54,100 units, each consisting of $50 of debentures with an attached warrant to purchase two common shares, and six shares of common. **Price**—To be supplied by amendment. **Business**—The construction, sale and financing of shell homes. **Proceeds**—To repay debt; establish a branch sales office, and for working capital. **Office**—Walden Drive, Augusta, Ga. **Underwriter**—Granbery, Marache & Co., New York City.

Pacific Gas & Electric Co. (6/13)
May 24, 1961 filed 896,470 shares of common stock, to be offered for subscription by stockholders on the basis of one new share for each 20 shares held of record June 13, with rights to expire July 5. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans, and for construction. **Office**—245 Market St., San Francisco, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

• Packer's Super Markets, Inc. (7/24-28)
May 25, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The operation of 22 retail self-service food stores in the New York City area. **Proceeds** — For general corporate purposes. **Office** — 25 53rd St., Brooklyn, N. Y. **Underwriters** — Milton D. Blauner & Co., Inc., and M. L. Lee Co., Inc., both of New York City (managing).

Pan American Resources, Inc.
May 11, 1961 (letter of notification) 40,000 shares of common stock (par $1). **Price**—$7 per share. **Office**—600 Glendale Federal Bldg., Glendale 3, Calif. **Underwriter**—Fred Martin & Co., 1101 Woodland Dr., Norman, Okla.

• Panacolor, Inc.
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price**—$4 per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. and Room 1744, 120 Broadway, New York City. **Underwriter** — Federman, Stonehill & Co., New York City (managing).

Patent Resources, Inc.
May 24, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized in November 1960 to acquire, exploit and develop patents, and to assist inventors in developing and marketing their inventions. **Proceeds**—For general corporate purposes. **Office** — 608 Fifth Ave., New York City. **Underwriters**—N. A. Hart & Co., Bayside, N. Y., Darius, Inc., New York City and E. J. Roberts & Co., Inc., Ridgewood, N. J.

★ Pell Pharmaceuticals, Inc.
May 24, 1961 ("Reg. A.") 150,000 common shares (par five cents). **Price**—$2. **Proceeds**—For equipment, expansion, inventory, and working capital. **Office**—1 Belmont Ave., Bala-Cynwyd, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

Peninsula Publishing & Printing Corp.
April 27, 1961 (letter of notification) 57,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Newspaper publishers. **Proceeds**—For sales promotion; construction of a storage building; repayment of a loan and working capital. **Office** — 379 Central Ave., Lawrence, L. I., N. Y. **Underwriter**—Arnold, Wilkens & Co., New York, N. Y.

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. (6/19-23)
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).

• Philadelphia Laboratories, Inc. (7/24-28)
May 26, 1961 filed 75,000 shares of common stock. **Price**—$8 per share. **Business**—The development, manufacture and sale of pharmaceuticals, vitamins and veterinary products. **Proceeds** — For the repayment of debt, and other corporate purposes. **Office** — 400 Green Street, Philadelphia, Pa. **Underwriter** — Woodcock, Moyer, Fricke, & French, Inc., Philadelphia.

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 Organization, Inc.
May 23, 1961 filed 110,000 shares of common stock. **Price**—$5 per share. **Business**—The company is engaged in the real estate and construction business. **Proceeds**—Net proceeds, estimated at $444,000, will be used to buy land for shell homes construction and to start building the homes ($175,000), to repay a bank note ($65,000), with the balance for working capital. **Office**—Huntington Station, New York. **Underwriters**—Theodore Arrin & Co., Inc., Katzenberg, Sour & Co., and Underhill Securities Corp., all of 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) 16,000 shares of common stock (par $1). **Price**—$5.50 per share. **Proceeds**—For general corporate purposes. **Office** — Investment Bldg., Washington, D. C. **Underwriter** — Sade & Co., Washington, D. C.

Plasticon Corp.
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

• Platt Corp.
May 29, 1961 filed 150,000 shares of class A stock. **Price**—$5 per share. **Business**—The company is a real estate investment firm. **Proceeds**—For investment. **Office**—New York City. **Underwriter**—None.

Polymetric Devices Co.
May 24, 1961 filed 90,000 shares of common stock. **Price**—$3.75 per share. **Business**—The company sells devices for the measurement or control of pressure, temperature, torque, acceleration, displacement, strain and force. **Proceeds**—For working capital. **Office**—130 South Easton Rd., Glenside, Pa. **Underwriter** — Weil & Co., Inc., Washington, D. C.

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.

Precision Specialties, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision instruments. **Proceeds**—To repay loans for construction, purchase of equipment; research and development, and working capital. **Office**—Hurffville, N. J. **Underwriter**—Harrison & Co., Philadelphia, Pa.

Q-Line Instrument Corp.
May 8, 1961 (letter of notification) 65,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—The manufacturers of technical equipment. **Proceeds**—For relocation of business; new equipment; expansion, and working capital. **Office** — 1562-61st St., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

★ Quality Importers, Inc.
June 1, 1961 filed 200,000 common shares. **Price** — By amendment. **Business**—Imports and distributes Scotch and Irish whiskeys. **Proceeds**—To repay loans and for working caiptal. **Office**—55 Fifth Ave., New York. **Underwriter**—Sutro Bros. & Co., New York.

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.

★ Radiation Instrument Development Laboratory, Inc.
June 1, 1961 filed 100,000 common shares, including 86,666 to be offered for sale by the company and 13,334 by stockholders. **Price**—By amendment. **Business**—Develops, designs and produces electronic instruments for the detection of atomic radiation. **Proceeds**—For working capital, and expansion. **Office** — 61 East North Ave., Northlake, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Ram Electronics, Inc. (6/12-16)
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 Investing Association, Inc. (6/12)
May 22, 1961 filed $50,000,000 series A 6% 20-year participating notes to be issued in 2,000 units of $25,000 each. **Price**—At 100% of principal amount. **Business**—The company was organized in February 1961 to invest in first mortgages on income producing properties and in land on which buildings have been erected. **Proceeds**—For investment. **Office**—60 East 42nd St., New York City. **Underwriter**—None.

Real Estate Investment Trust of America (6/12-16)
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. (6/26-30)
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.

Reher Simmons Research Inc.
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., New York City (managing).

• Renaire Foods, Inc. (6/9)
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.

Ripley Co., Inc.
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amend-

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ment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing).

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.

Rorer (William H.), Inc.
May 24, 1961 filed 130,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** —The manufacture and sale of pharmaceuticals. **Proceeds** — For the account of the selling stockholders. **Office** — 4865 Stenton Ave., Philadelphia, Pa. **Underwriters**—Kidder, Peabody & Co., New York City and Schmidt, Roberts & Parke, Philadelphia(managing).

● **Rowan Controller Co.**
May 29, 1961 filed 50,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The manufacture and sale of industrial controls and electrical equipment. **Proceeds**—For the retirement of debt and product expansion. **Office**—2315 Homewood Avenue, Baltimore, Md. **Underwriter**—Stein Bros. & Boyce, Baltimore, Md.

● **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.

Schneider (Walter J.) Corp. (6/16)
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.

Science Capital Corp.
May 9, 1961 filed 450,000 shares of common stock. **Price** —$8 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Juniper & Walnut Sts., Philadelphia, Pa. **Underwriters**—Blair & Co., Inc., New York City; Stroud & Co., Inc., and Woodcock, Moyer, Fricke & French, Philadelphia, Pa.

● **Scope, Inc. (7/3)**
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. **Offering**—Imminent.

Seaboard Electronic Corp. (7/3)
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).

Search Investments Corp. (6/12)
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price** —$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds** — For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price** — 100% of principal amount. **Business**— The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock Street, Denver, Colo. **Underwriter**—None.

Security Acceptance Corp.
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

★ **Security Air Vent, Inc.**
May 26, 1961 ("Reg. A.") 96,000 common shares, (par 50 cents). **Price**—$1. **Proceeds**—For repayment of loans; purchase of inventory, and working capital. **Office**—715 W. Railroad Avenue, Scottsbluff, Neb. **Underwriter**—None.

★ **Service Photo Industries, Inc.**
May 26, 1961 filed 150,000 class A shares (par one cent). **Price** — $4. **Business** — The company, formerly Service Photo Suppliers, Inc., is engaged in the importation and distribution of a wide variety of photographic equipment. **Proceeds**—For the repayment of debt, advertising and sales promotion, and other corporate purposes. **Office**—33 East 17th St., New York. **Underwriter**—N. A. Hart & Co., Bayside, N. Y. (managing).

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.

Shelley Urethane Industries, Inc.
May 24, 1961 filed 200,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The manufacture, converting and distribution of urethane foam products to industry. **Proceeds** — For expansion, new equipment, repayment of debt, and working capital. **Office**—4542 East Dunham St., City of Commerce, Calif. **Underwriter** — Garat & Polonitza, Inc., Los Angeles (managing).

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., 28 West State St., Trenton, 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 early July.

Slater Electric Inc.
May 18, 1961 filed 150,000 shares of class A stock, of which 100,000 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 manufacture of electrical equipment, principally wiring devices and lighting controls used in industrial, commercial and residential buildings. **Proceeds**—To reduce outstanding loans, purchase additional equipment, and for working capital. **Office**—45 Sea Cliff Avenue, Glen Cove, L. I., N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

● **Sony Corp.**
May 3, 1961 filed 798,200 shares of common stock (par 50 yen) to be offered for subscription by common stockholders resident in the U. S., on the basis of one new share for each share held of record March 1. Rights expired April 21. **Price**—At par (about 14 cents). **Business** —The manufacture and sale of transistorized radio and television receivers, magnetic tape recorders and other electronic equipment. **Proceeds**—For expansion. **Office** —Tokyo, Japan. **Underwriter**—None.

Southeastern Capital Corp.
May 16, 1961 filed 500,000 shares of common stock (par $1). **Price**—$12.50 per share. **Business**—A small business investment company. **Proceeds** — For investment. **Office**—Life & Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Southern American Fire Insurance Co.
May 19, 1961 (letter of notification) 23,500 shares of common stock (par $4). **Price**—$10 per share. **Office**— c/o Guilmartin, Bartel & Ashman, 1527 Alfred I. du Pont Building, Miami, Fla. **Underwriters**—Beil & Hough, Inc., St. Petersburg, Fla.; Nolting, Nichol & O'Donnell, Inc., Pensacola, Fla.; Sterling, Grace & Co., New York City.

Southern Electric Generating Co. (6/15)
May 8, 1961 filed $20,000,000 of first mortgage bonds due June 1, 1992. **Proceeds**—For construction. **Office**— 600 North 18th Street, Birmingham, Ala. **Underwriters** —To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; 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. **Bids**—To be received June 15 at 11 a.m. (DST) in Room 1600, 250 Park Avenue, New York City. **Information Meeting**—Scheduled for June 12 at 3 p.m., (DST) on 5th floor of 55 Wall Street, New York City.

Southern Realty & Utilities Corp.
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price** —At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

● **Southland Life Insurance Co.**
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 States Telephone Co. (6/26)**
May 29, 1961 filed 110,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—For construction. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco (managing).

Special Metals, Inc. (6/28)
May 16, 1961 filed $2,656,250 principal amount of 6% subordinated debentures due July 1, 1976 and 159,375 shares of common stock (par $2) to be offered for public sale in units of $50 of debentures and three common shares. **Price**—To be supplied by amendment. **Business** —The company has contracted to buy the Metals Division of Kelsey-Hayes Co., and will produce special high temperature metal alloys by vacuum melting for use in jet aircraft engines. **Proceeds**—To repay a bank loan. **Office** — New Hartford, N. Y. **Underwriters** — White, Weld & Co., Inc., and Lehman Brothers, both of New York City (managing).

Speed-O-Print Business Machines Corp.
May 24, 1961 filed 125,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company manufactures and sells office copy-making machines and accessories. **Proceeds** — To pay off notes in the amount of $422,826, with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Rodman & Renshaw, Chicago, Ill. (managing).

★ **Speilman Engineering, Inc.**
June 6, 1961 filed 150,000 common shares. **Price** — By amendment. **Proceeds**—For the repayment of a loan and for working capital. **Office** — 722-32 Brookhaven Drive, Orlando, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville.

Spencer Laboratories, Inc.
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

Standard Brands Paint Co.
May 2, 1961 filed 265,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**— The manufacture and direct retail sale of paints, enamels, varnishes and allied products in the Southern California area. **Proceeds**—For the repayment of debt, the retirement of outstanding 8% debentures and for expansion. **Office** — 4300 W. 190th St., Torrance, Calif. **Underwriters**—Sutro Bros. & Co., and Allen & Co., both of New York City (managing). **Offering**—Expected in June.

Standard Security Life Insurance Co. of N. Y.
March 27, 1961 filed 162,000 shares of common stock to be offered for subscription by holders of common and class A stock on the basis of two new shares for each five shares held. **Price** — To be supplied by amendment. **Business**—The writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—111 Fifth Avenue, New York City. **Underwriter**— None.

State Loan & Finance Corp.
May 18, 1961 filed $25,000,000 of sinking fund debentures due 1981. **Price**—To be supplied by amendment. **Business**—Consumer finance. **Proceeds**—For the repayment of loans. **Office**—1200 18th Street, N. W., Washington, D. C. **Underwriters**—Johnston, Lemon & Co., Washington, D. C., and Eastman Dillon, Union Securities & Co., New York City (managing).

Stratton Corp. (6/16)
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.

● **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**—Nat Berger Associates, Inc., New York City.

Supermarkets Operating Co.
May 10, 1961 filed 125,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The opera-

tion of a chain of "Shop-Rite" supermarkets and the production and marketing of "Huber's Sunbeam" bakery products. **Proceeds** — For working capital, and general corporate purposes. **Office**—1416 Morris Ave., Union, N. J. **Underwriters**—Robert Garrett & Sons, Baltimore, Md., and G. H. Walker & Co., New York City.

Superstition Mountain Enterprises, Inc. (7/10-14)
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

● **Supronics Corp.**
May 29, 1961 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the distribution of wholesale electrical equipment and supplies. **Proceeds** — For the repayment of bank loans and other corporate purposes. **Office**—224 Washington St., Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., and Standard Securities Corp., both of New York City and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Survivors' Benefit Insurance Co. (7/3)
March 30, 1961 filed 50,000 shares of common stock to be offered initially to stockholders and thereafter to policyholders, employees and company representatives. **Price**—$21.70 per share. **Business** — The company is qualified to write life insurance in the state of Missouri. **Proceeds**—For expansion of the business into other states and for reserves. **Office** — 4725 Wyandotte St., Kansas City, Mo. **Underwriter**—None.

● **Suval Industries Inc. (6/19-23)**
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. **Offering**—Expected about mid-June.

T. V. Development Corp.
May 26, 1961 filed 100,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of replacement knobs for television sets. **Proceeds**—For the repayment of debt, the expansion of product lines and working capital. **Office**—469 Jericho Turnpike, Mineola, N. Y. **Underwriters** — Kesselman & Co., and Brand, Grumet & Seigel Inc., both of New York City (managing).

● **Taddeo Bowling & Leasing Corp. (6/19-23)**
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**—Lomasney, Loving & 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**—Fialkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City.

Taft Broadcasting Co.
May 26, 1961 filed 376,369 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of TV and radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office**—1906 Highland Avenue, Cincinnati, Ohio. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

● **Tassette, Inc. (6/12-16)**
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.

Templeton, Damroth Corp. (6/12-16)
March 30, 1961 filed $445,000 of 5½% convertible debentures, due 1969. **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, Pa.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Terry Industries, Inc. (6/16)
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.

★ **Texas Eastern Transmission Corp.**
June 7, 1961 filed $30,000,000 of debentures due July 1, 1981 and 200,000 shares of subordinated convertible preferred ($100 par). **Proceeds**—For the repayment of debt and for construction. **Office**—Memorial Professional Bldg., Houston. **Underwriter**—Dillon, Read & Co., New York (managing).

Thompson Ramo Wooldridge Inc.
May 24, 1961 filed $25,000,000 of 25-year sinking fund debentures, due 1986. **Price**—To be supplied by amendment. **Business**—The research, manufacture, and sale of products in the missile, space, electronics and aircraft fields. **Proceeds** — For general funds, including debt reduction. **Office**—23555 Euclid Avenue, Cleveland, Ohio. **Underwriters**—Smith, Barney & Co., New York City and McDonald & Co., Cleveland, Ohio (managing). **Offering**—Expected in late June.

Thompson-Starrett Co., Inc.
March 29, 1961 filed 1,000 outstanding shares of $0.70 cumulative convertible preferred stock (par $10) and 1,172,243 outstanding shares of common stock to be offered for public sale by the holders thereof. **Price**—At the market. **Business**—The design, engineering and construction of an office building and research laboratory; and the assembling and distribution of radios, television sets and electric organs. **Proceeds**—For the selling stockholders. **Office** — 745 Fifth Avenue, New York City. **Underwriter**—None.

★ **Thorobred Enterprises, Inc.**
June 2, 1961 filed 85,000 common shares. **Price**—$4. **Business** — The breeding of thoroughbred race horses. **Proceeds**—To purchase land, build a stable, and buy additional horses. **Office**—8000 Biscayne Blvd., Miami, Fla. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and New York City.

Toledo Plaza Limited Partnership (6/14)
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.

Tonka Toys, Inc.
May 22, 1961 filed 155,000 shares of common stock (par $1) of which 60,000 shares will be offered for public sale by the company and 95,000 shares by the selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale fo plastic and metal toys. **Proceeds**—For working capital. **Office**—Mound, Minn. **Underwriter**—Bache & Co., New York City (managing).

Tourist Industry Development Corp. Ltd.
March 29, 1961 filed $2,000,000 of 7% subordinated debenture stock due 1981, convertible into class B ordinary stock. **Price**—100% of principal amount. **Business**—The company was organized in 1957 for the purpose of financing tourist enterprises in Israel. **Proceeds**—To repay advances from the State of Israel and to make loans to various enterprises such as hotels, restaurants and transport industries. **Office**—Jerusalem, Israel. **Underwriter**—None.

Transcontinent Television Corp.
May 25, 1961 filed 400,000 outstanding shares of class B common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The operation of six television and seven radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office** — 70 Niagara St., Buffalo, N. Y. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Bear, Stearns & Co., both of New York City (managing).

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.

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.

★ **Tresco, Inc.**
June 5, 1961 filed 100,000 common shares. **Price**—$5. **Business**—Manufactures transformers for electronic equipment. **Proceeds**—For the repayment of debt, research and development, to finance a new subsidiary and for other corporate purposes. **Office**—3824 Terrance St., Philadelphia. **Underwriter**—Amos Treat & Co., New York (managing).

● **Triangle Instrument Co. (6/26-30)**
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, Syosset, 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.

Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Union Oil Co. of California (6/21)
May 18, 1961 filed $60,000,000 of debentures due June 1, 1986 and $60,000,000 of convertible subordinated debentures due June 1, 1991. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of the outstanding $120,000,000 3¼% convertible subordinate debentures due April 1, 1981. **Office**—Union Oil Center, Los Angeles, Calif. **Underwriter**—Dillon, Read & Co., Inc., New York City (managing).

United Electro Plastics Corp.
May 15, 1961 (letter of notification) 250,000 shares of common stock (par 10 cents). **Price**—$1.15 per share. **Office**—510 First Ave. N., Minneapolis, Minn. **Underwriter**—None.

United Foods, Inc.
May 25, 1961 filed 125,000 shares of common stock. **Price**—$8.50 per share. **Business**—The storing of grain for a U. S. Government agency; cold storage warehousing; the freezing, packaging and marketing of vegetables; the freezing and packaging of shrimp; the feeding and marketing of fattened cattle, and the operation of a small business financing company. **Proceeds**—For expansion and working capital. **Office**—1235 Shadowdale, Houston, Tex. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

United Investors Corp.
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—None.

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.

● **U. S. Home & Development Corp. (6/26-30)**
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

U. S. Mfg. & Galvanizing Corp. (6/9)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Pro-**

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ceeds — 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.

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. (6/15)
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.

★ Uris Buildings Corp.
June 2, 1961 filed 159,403 outstanding shares of common to be offered for sale by stockholders. **Price**—By amendment. **Business**—The construction, operation and leasing of office buildings. **Proceeds**—For the selling stockholders. **Office**—850 Third Ave., New York. **Underwriter**—Kuhn, Loeb & Co., New York (managing).

• Vahlsing, Inc. (6/26)
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 being offered for subscription by shareholders on the basis of one new share for each 10 shares held of record June 1 with rights to expire June 19. **Price**—$50. **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).

• Vatronic Lab. Equipment, Inc.
May 29, 1961 filed 80,000 shares of common stock. **Price** —$4 per share. **Business**—The manufacture of industrial high vacuum systems and equipment. **Proceeds** — For the repayment of debt, plant expansion, equipment, sales promotion and working capital. **Office**—Northport, N. Y. **Underwriter**—Stanley R. Ketcham & Co., New York.

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.

Vic Tanny Enterprises, Inc. (7/3-7)
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., New York City.

Vinco Corp. (7/10-14)
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible future acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

Virginia Electric & Power Co. (6/13)
May 12, 1961 filed $30,000,000 of first and refunding mortgage bonds, series Q, due June 1, 1991. **Proceeds**—For construction. **Office**—700 East Franklin St., Richmond, 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 June 13, 1961 at 11 a.m. (DST) on the 23rd floor of One Chase Manhattan Plaza, New York City. **Information Meeting** —Scheduled for June 8 at 11 a.m. (DST) at the above address.

Walter, (Jim) Corp.
May 18, 1961 filed $20,000,000 of first subordinated debentures due 1981 (with attached warrants to buy up to 80,000 common shares). **Price** — To be supplied by amendment. **Business**—The construction, and mortgage financing of shell homes. **Proceeds**—To reduce bank debt and finance the sale of additional homes. **Office**—1500 North Dale Mabry Highway, Tampa, Fla. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

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.

• Wayne Manufacturing Co.
May 29, 1961 filed 40,000 outstanding shares of capital stock to be offered for public sale by the present holders thereof. **Business**—The design, manufacture and sale of industrial sweepers. **Price** — To be supplied by amendment. **Office** — 1201 E. Lexington St., Pomona, Calif. **Underwriters**—Mitchum, Jones & Templeton, Los Angeles and Schwabacher & Co., San Francisco (managing).

• Wej-it Expansion Products, Inc. (6/29)
May 4, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For plant and facilities, moving equipment, inventory, working capital and repayment of a loan. **Office** —4 S. Santa Fe Dr., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

West Coast Bowling Corp.
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Westbury Fashions, Inc.
May 10, 1961 filed 120,000 shares of common stock, of which 68,000 shares are to be offered for public sale by the company and 52,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, manufacture and sale of casual dresses for girls and women. **Proceeds**—For expansion, the repayment of loans, equipment, and working capital. **Office** — 1400 Broadway, New York City. **Underwriter** — McDonnell & Co., Inc., 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. (6/19-23)
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.

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.

Williamhouse, Inc. (6/9)
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.

Williams Brothers Co.
May 19, 1961 filed 350,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The construction of pipelines and other aspects of the heavy construction industry. **Proceeds**—For the selling stockholders. **Office**—National Bank of Tulsa Building, Tulsa, Okla. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

Wilshire Insurance Co.
Feb. 17, 1961 filed 187,000 shares of common stock (par $2) being offered for subscription by stockholders on the basis of one new share for each share held of record April 14, with rights to expire June 16. **Price**—$5 per share. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds**—To increase capital funds. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter**—None.

★ Winters Pharmaceuticals, Inc.
May 26, 1961 ("Reg. A.") 399 preferred shares. **Price**—At par ($100). **Proceeds**—For inventory and expenses. **Office**—6040 Truman Rd., Kansas City, Mo. **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.

World Color Press, Inc. (7/10-14)
May 16, 1961 filed 218,000 shares of common stock of which 203,000 shares will be offered to the public and 15,000 shares to employees. **Price**—To be supplied by amendment. **Business**—The printing of magazines and newspapers. **Proceeds**—To selling stockholders. **Office**—420 DeSoto Ave., St. Louis Mo. **Underwriters**—Scherck, Richter Co., and Dempsey-Tegeler & Co., both of St. Louis, Mo. (managing).

• Wrather Corp. (6/19-23)
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.

★ Wyoming Wool Processors, Inc.
June 5, 1961 filed 700,000 common shares. **Price**—$1. **Business**—The processing of wool. **Proceeds**—For the purchase of equipment, building rental, and working capital. **Address**—Box 181, Casper, Wyo. **Underwriter** —None.

Yakima Valley Turf Club, Inc.
May 16, 1961 (letter of notification) 2,240 shares of no par common stock and $224,000 of certificates of indebtedness to be offered in units of (a) one common share and one $100 certificate or (b) 10 common shares and one $1,000 certificate. **Price**—(a) $110 or (b) $1,100. **Office**—Central Washington Fairgrounds, Yakima, Wash. **Underwriter** — Colopy, Elliott & Miller, Inc., Seattle, Wash.

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.

Zurn Industries, Inc.
May 25, 1961 filed 175,000 shares of common stock, of which 71,530 shares are to be offered for public sale by the company and 103,470 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The design, development, manufacture and sale of mechanical power transmission equipment, hydromechanical piping devices and industrial pipe line straining mechanisms. **Proceeds**—For new equipment, and working capital. **Office**—2214 West 8th St., Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing).

Prospective Offerings

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.

• Alabama Great Southern RR.
May 24, 1961 it was reported that this road plans to file a financing plan with the ICC on or about June 12 covering the proposed issuance of $5,500,000 of mortgage bonds. **Offices**—Birmingham, Ala., and 70 Pine St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp. **Note**—This proposed offering has been withdrawn.

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.

All American Airways Co.
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 $18,000,000 of government insured merchant marine bonds due Sept. 1, 1961-1985. **Price**—At par. **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**—First Boston Corp., New York City and Childs Securities Corp., Chicago, Ill.

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.

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).

Arizona Public Service Co.
May 26, 1961 it was reported that this company is considering the sale of about $5,000,000 of preferred stock this summer and about $35,000,000 of first mortgage bonds in November. **Proceeds**—For construction. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be named. The last sale of preferred stock on June 18, 1958 was made privately through Blyth & Co., and the First Boston Corp. The last sale of bonds on March 26, 1959 was also handled privately through Blyth & Co., and First Boston Corp. However, the company stated that there is a possibility that these bonds will be sold at competitive bidding, in which case the following are expected to bid on them: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Blyth & Co.; White, Weld & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Audio-Visual Teaching Machines, Inc.
May 24, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture and distribution of teaching machines, language laboratories and program texts. **Proceeds**—For expansion. **Office**—Suite 405, 1025 Connecticut Ave., N. W., Washington, D. C. **Underwriters**—To be named.

Beam-Matic, Inc.
May 24, 1961 it was reported that this company plans a full filing shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business**—The manufacture and sale of hospital equipment. **Office**—25-11 49th Street, Astoria, L. I., N. Y. **Underwriter**—First Weber Securities Corp., New York City.

Baltimore Gas & Electric Co.
May 15, 1961 it was reported that this company plans to issue about $20,000,000 of first mortgage bonds in late 1961 or early 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—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).

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.

Canada Dry Corp.
May 16, 1961 it was reported that this company plans to offer stockholders the right to subscribe to an undisclosed amount of debentures. An SEC registration statement is expected to be filed in June and the anticipated record date for those entitled to subscribe is July 11. **Business**—The manufacture and distribution of carbonated and alcoholic beverages, extracts and syrups in the U. S. and Canada. **Office** — 100 Park Ave., New York City. **Underwriter**—To be named. The last rights offering (of common stock) on Aug. 25, 1958 was underwritten by Eastman Dillon, Union Securities & Co., Hornblower & Weeks, and Winslow Cohu & Stetson, all of New York City.

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.

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.

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.
May 16, 1961, H. C. Forbes, chairman, stated that the company must issue almost $100,000,000 of securities in late 1961 and early 1962. He added that if the company decides to issue any of the 1,000,000 shares of cumulative preference stock approved by shareholders at the May 15 annual meeting, it will be on the basis of convertibility into common with subscription rights to common shareholders. **Office**—4 Irving Place, New York City. **Underwriter**—To be named. The last rights offering to stockholders (of debentures) on Jan. 28, 1959 was underwritten by Morgan Stanley & Co., and First Boston Corp., both of New York City. The last sale of bonds on Nov. 23, 1960 was handled by First Boston Corp., and Halsey, Stuart & Co., Inc. (jointly). Morgan Stanley & Co., also bid competitively on this issue.

Consumers Power Co. (8/15)
May 24, 1961 it was reported that this company plans to sell $40,000,000 of first mortgage bonds in August. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter** — 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. **Bids**—Expected to be received about August 15.

Cosmetic Chemicals Corp.
May 10, 1961 it was reported that this firm expects to register 100,000 shares of 1¢ par common stock. **Price**—$4 per share. **Business** — The firm manufactures perfumes, cosmetics, and hair dyes. **Proceeds**—For general corporate purposes. **Office**—5 East 52nd St., New York City. **Underwriter**—Nance-Kieth Corp., 99 Wall St., New York 5, N. Y.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

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).

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.

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).

Fashion Flair Stores, Inc.
April 27, 1961 it was reported that this company plans shortly 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 St., New York City. **Underwriters**—Ronwin Securities Corp., Staten Island, N. Y., and Security Options Corp., New York City.

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.
May 11, 1961, it was reported that the company may issue bonds in the second half of 1961 to finance its current $40,000,000 construction program. **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 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 December 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,

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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.

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 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.

● **Hupp Systems, Inc.**
May 31, 1961 it was reported that a "Reg. A" will be filed shortly covering an initial offering of 50,000 common shares. **Price**—$3. **Business**—The design, manufacture and sale of fiberglass sprayup systems and other reinforced plastic resin equipment. **Proceeds**—For general corporate purposes. **Office**—Sarasota, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

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 "Midas Mufflers." **Office**—Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Chicago (managing).

Interstate Department Stores, Inc.
May 24, 1961, Murray D. Safanie, chairman, stated that the company is considering the issuance of about $6,00,-000 of convertible subordinated debentures, late this summer. **Office**—111 Eighth Ave., New York City.

John's Bargain Stores Corp.
May 17, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Business**—The operation of a chain of discount stores selling household goods. **Office**—1200 Zerega Ave., Bronx, N. Y. **Underwriter**—To be named.

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 garter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., New York City (managing).

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**—To be named. **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).

Micro-Lectric, Inc.
May 23, 1961 it was reported that this company plans to file a registration statement shortly covering 55,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For general corporate purposes. **Office**—Roosevelt, L. I., N. Y. **Underwriter**—Underhill Securities Corp., 19 Rector St., New York City.

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.

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.

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.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board 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 thier 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).

New England Power Co.
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

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.

★ **Northwest Natural Gas Co.**
June 7, 1961 it was reported that this company plans to file a registration statement shortly covering $6,000,000 of first mortgage bonds and approximately $2,000,000 of common stock. **Proceeds**—For construction. **Office**—Public Service Bldg., Portland, Ore. **Underwriter**—Lehman Brothers, New York.

Northwestern Public Service Co.
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 Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
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. About 6-9 months after the stock sale, Pacific Northwest will sell debentures publicly to repay a portion of its debt. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A. T. & T., which owns over 90% of the outstanding shares, exercised its rights to subscribe to its pro rata share of the offering. The last sale of debentures by Pacific Telephone on Feb. 17, 1960 was underwritten by Halsey Stuart & Co., Inc. The one other competitive bid on issue was made by Morgan Stanley & Co.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. 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 other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

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.

★ Penthouse Club, Inc.
June 1, 1961 it was reported that this company plans to issue 50,000 common shares. **Price**—$6. **Business**—The operation of recreation clubs. **Proceeds**—For expansion and working capital. **Office** — 15th and Locusts Sts., Philadelphia. **Underwriter**—Valley Forge Securities Co., Philadelphia. **Offering**—Expected in late June.

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.

Redwing Carriers, Inc.
May 23, 1961 it was reported that this company plans to file a plan with the ICC covering a proposed sale by certain stockholders of $1,500,000 to $2,000,000 of common stock. **Business**—A truck, tank car transporter. **Proceeds**—For the selling stockholders. **Office**—Tampa, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburgh, Fla. **Offering**—Expected about mid-August.

Rochester Gas & Electric Corp. (9/27)
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. **Bids**—To be received about Sept. 27.

Scully Inc.
May 31, 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 manufacture and sale of precision recording equipment. **Proceeds** — For expansion. **Office**—Bridgeport, Conn. **Underwriter**—Moran & Co., Newark, N. J.

Sel-rex Corp.
May 16, 1961 it was reported that this firm is contemplating its first public financing. **Business** — Precious metals manufacturing. **Office**—75 River Road, Nutley, N. J. **Underwriter**—To be named.

● Sjostrom Automation, Inc.
May 31, 1961 it was reported that a full filing will be made shortly covering 70,000 shares of class A common stock. **Price**—$4. **Business**—The design, manufacture and sale of electronically controlled automation devices. **Proceeds**—For general corporate purposes. **Office**—Boca Raton, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

Southern California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

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.

Spectron, Inc.
May 23, 1961 it was reported that this company, a successor to F. Hastings Stephens Laboratories, Inc., plans to sell 85,000 shares of class A common stock. **Price**—$4.50 per share. **Business**—The design, development and manufacture of electronic systems, instruments and equipment including microwave, radar and underwater communication devices. **Proceeds**—For equipment, and working capital. **Office**—9001 S. W. 64th Court, S. Miami, Fla. **Underwriter** — Hampstead Investing Corp., New York City. **Registration**—Expected in mid-June.

Sterile Medical Products, Inc.
May 15, 1961 it was reported that this firm plans to file 120,000 shares of 10c par common stock. **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 434 Buckelew Ave., Jamesburg, N. J. **Underwriter** — Louis R. Dreyling & Co., Inc., 25 Livingston Ave., New Brunswick, N. J. **Offering**—Expected in July or August.

Tampa Electric Co.
May 10, 1961 it was reported that this company plans to spend over $80,000,000 on new construction in the next three years. No financing is planned this year but in 1962 the company may issue bonds or common stock. **Office**—111 No. Dale Mabry Hwy., Tampa, Fla. **Underwriters**—To be named. The last sale of bonds on June 29, 1960 was handled by Halsey, Stuart & Co. Inc., New York City. Other competitive bidders were Merrill Lynch, Pierce, Fenner & Smith Inc.; Goldman, Sachs & Co.; Stone & Webster Securities Corp. The last sale of common stock on Feb. 13, 1960 was made through Stone & Webster Securities Corp.

Tennessee Valley Authority (6/28)
May 24, 1961, it was reported that this U. S. Government body plans to sell $50,000,000 of bonds. **Office**—Knoxville, Tenn. **Underwriters**—To be determined by competitive bidding. Probable bidders: The Chase Manhattan Bank, Morgan Guaranty Trust Co. of New York, Chemical Bank New York Trust Co., C. J. Devine & Co., all of New York City and the Northern Trust Co., Chicago; Blyth & Co., Inc.; Halsey, Stuart & Co. Inc.; The First Boston Corp. **Bids**—To be received in New York City on June 28.

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.

Trinity Funding Corp.
May 23, 1961 it was reported that a registration statement will be filed shortly covering 250,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business**—A consumer and industrial finance company. **Proceeds** — For additional working capital. **Office** — 1107 Broadway, New York City. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York City. **Offering**—Expected in early July.

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.
May 24, 1961 it was reported that this company plans to raise $30,000,000 of new money this summer by debt financing or sale of preferred stock. **Proceeds**—For expansion. **Office**—315 N. 12th Blvd., St. Louis 1, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: (Preferred) First Boston Corp.; Dillon Read & Co. Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc.; Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc. (Bonds) First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly).

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.

Dividend Advertising Notices Appear on Page 16.

Universal Publishing & Distributing Corp.
May 10, 1961 it was reported that this company is considering the issuance of common stock. **Business**—Magazine publishing. **Office**—117 E. 31st Street, New York City. **Underwriter**—Allen & Co., New York City.

Valley Title & Trust Co.
May 15, 1961 it was reported that this company plans to register 120,000 shares of 10c par common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., Inc., 25 Livingston Ave., New Brunswick, N. J. **Offering**—Expected by August or September.

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.

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).

Lamtron Common Stock Offered

In an offering circular dated June 1, Lewis Wolf, Inc., 79 Wall St., New York, publicly offered 50,000 shares of this firm's class A common stock at $6 per share. The stock was all sold. Net proceeds, estimated at $234,000, will be used by the company for the purchase of equipment, expansion, the repayment of debt and for working capital.

Lamtron Industries of 1425 Northwest Miami Court, Miami, Fla., manufactures and assembles restaurant and motel furniture and fixtures including bars, counters, cabinets, stools, booth fixtures, tables, night stands, office furniture and the like. Most of its sales have been made through motel and restaurant and furniture distributors, contractors and designers in the southeastern and south-central states, and in the Caribbean area. Capitalization consists of 750,000 class A and 250,000 class B common shares, of which 50,000 and 75,000 shares respectively are outstanding.

Named Director

The election of Adrian M. Massie to the Board of Directors of Cerro Corporation has been announced by Robert P. Koenig, President. Mr. Massie is Chairman of the Trust Committee, Chemical Bank New York Trust Company, and former Chairman of the Board, The New York Trust Company.

M. C. Gladstone Opens

GREAT NECK, N. Y.—Matthew C. Gladstone is conducting a securities business from offices at 13 Gay Drive.

Ed-U-Cards Mfg. Com. Stk. Offered

In an offering circular dated May 24, 1961, Kenneth Kass and J. J. Krieger & Co., Inc., both of New York City, publicly offered 100,000 shares of this firm's common stock at $3 per share. Proceeds will be used by the company for the repayment of loans, promotion, expansion of the school department, and development of new games and puzzles.

The company, located at 13-05 44th Ave., Long Island City, New York, creates, designs, manufactures and sells a wide variety of card games and educational items under the trade mark "Ed-U-Cards." It believes that its children's card game line is now the largest selling game line of its kind in the world. Sales for the ten months ending Feb. 28, 1961 were $668,632.41 with net earnings of approximately 9 cents per share on the 155,000 shares outstanding prior to this offering.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The [illegible]ry has been growing rapidly. Americans have billions of dollars invested in it.

The industry itself apparently has been peering into the future trying to figure out what is ahead for it. Everything is neither all bad nor all good, it seems, as far as Washington is concerned.

Two Western Democratic Senators seemingly are determined to tighten the United States government's control over natural gas production and transmission.

Senator Warren G. Magnuson of Washington, Chairman of the Senate Commerce Committee, is pressing for passage of his bill which would prohibit successive rate increases from becoming effective until pending ones were decided by the Federal Power Commission.

The proposal by Senator Magnuson, which has the all out backing of the National Association of Railroad and Utilities Commissioners, is one that the industry is watching closely. It would stop so-called rate "pyramiding."

The measure is also being strongly advocated by a number of cities where natural gas is being used more and more. The Federal Power Commission itself thinks well of the legislation.

Tougher Measure

Senator Magnuson's measure, among other things, would formalize the present Federal Power Commission prohibition on indefinite pricing clauses; permit the Commission to suspend rate changes involving gas sold for resale for industrial use; require the Commission to make a finding in certificate cases that initial prices are in the public interest, and place a time limit on decisions by hearing examiners and the Commission.

A proposal by Senator John A. Carroll of Colorado would be rougher and tougher on the natural gas industry than the one by Mr. Magnuson.

Under terms of the Carroll bill, the Federal Power Commission would be required to provide specific permission before any pipeline rate increases would become operative. It would authorize the FPC to require disputed rate increases be put in escrow to assure refunds to consumers if they are subsequently denied.

At the same time Senator Carroll's bill would authorize the FPC to make rate increases retroactive, and grant the Commission the power to grant temporary rate increases in some extreme cases.

There is a possibility that the Magnuson measure may become law. Representative Oren Harris of Arkansas, Chairman of the House Commerce Committee, has expressed the opinion that the bill might pass Congress.

Depletion Allowance in Danger

For some reason the oil and natural gas industry are not popular with a substantial part of the membership of Congress, nor with some agencies of the executive branch of the government. Many members of Congress, and many people in private life, are against the depletion allowance that these industries obtain.

The facts are the oil and gas industries, not this year nor next but not too far distant, are in serious danger of losing the tax incentive that the industry requires in order to discover new reserves essential for the future welfare of the industry and for the country.

If the Magnuson legislation becomes law there is little doubt that it will have the effect of throwing cold water on investment funds. Investors naturally would not like to have their company have to wait years before being allowed to offset rising costs with realistically higher wages. It could have a depressing effect on the gas industry.

Opponents of the natural gas industry's position marched ahead in getting their side of the story across to the public, while the industry itself was trying to get together and approve an industry-wide policy.

Therefore, there is practically no chance that Congress will pass at this session legislation the gas industry itself wants.

Small Producers Would Be Decontrolled

There is some speculation on Capitol Hill that the liberal bloc in Congress is making some headway in the proposal to decontrol the small gas producers. The small producer is described as one selling two billion CF a year across state lines.

Numerous industry bills are pending. For instance, Chairman Harris has introduced seven major measures, most of them requested by the Federal Power Commission. The industry's bill has not been introduced. Senator Magnuson has introduced a score of measures of different kinds, and there are numerous other pending measures introduced in both Houses by various members.

Battle Over Natural Fuels Policy

As the battle continues over natural gas legislation continues, there are other things that involve the gas industry that are unclear.

The coal industry, which has felt the powerful competition from the natural gas industry, is striving for a national fuels policy. Apparently the study will be made in the Senate, and not by a Senate-House joint committee, as was originally proposed.

Both Speaker Sam Rayburn and Chairman Harris are personally opposed to the fuels policy approach because they are aware that the coal industry is seeking to get tight restrictions on gas end use. However, their personal opposition does not mean that they would seek to prevent a fuels policy study.

Meantime, the Federal Power Commission has told Congress that it supports the provision of the bill by Senator Magnuson prohibiting successive rate increases, but urged that the prohibition be limited to pipelines. It likewise supports the provision that would give FPC the right to suspend rate changes in gas for industrial use.

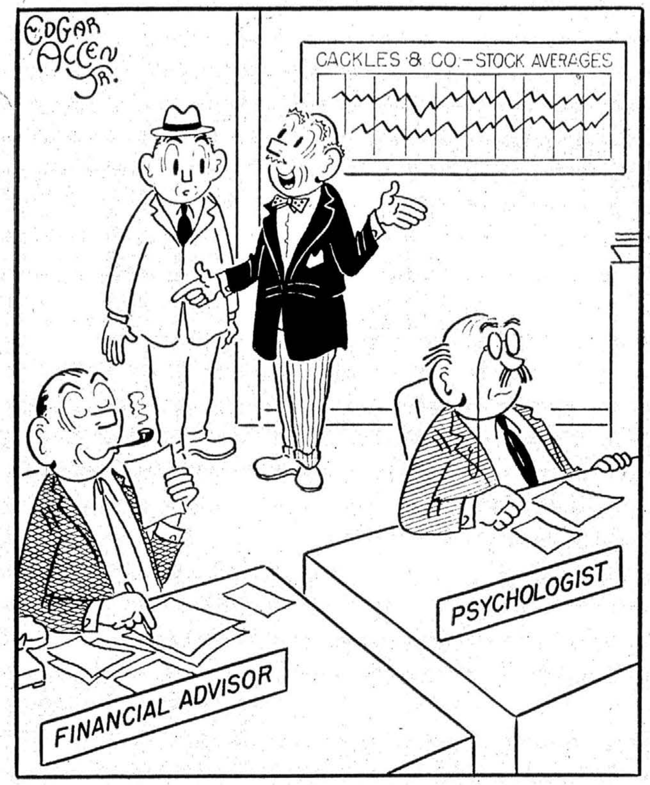
The Commission once again has asked Congress to end so-called utility-type control of the gas industry, but it has made no specific recommendation how this should be done.

Several years ago Congress passed a bill that would have ended the utility-type control, but President Eisenhower vetoed the measure. Since then the industry itself has made no concerted effort to get a new bill passed.

This session of Congress has been a poor one from a public relations standpoint for the natural gas industry. For instance, a statement was placed in the record of the Senate hearings by California Governor Edmund G. Brown who described the present pipeline-FPC rate practices "extortionate." There have been many other pot-shots taken at the industry.

Yet, the industry is highly important to the welfare of the country. It will have better days than it is now encountering.

[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.]



"It's our new service—he makes our customers well after the other one makes them sick!"

Twin City Analysts Elect Officers

MINNEAPOLIS, Minn. — Henry W. Norton, Jr. was elected President of the Twin Cities Society of Security Analysts at their 1961 annual banquet and outing, June 6.

Mr. Norton is Manager of the research department at J. M. Dain & Co., Inc., Minneapolis. He will serve a year term as President along with Gaylord W. Glarner who was named Vice-President; Donald R. Moore, Secretary; Francis H. Hassing, Treasurer; Robert E. Blixt, St. Paul Director, and Robert D. Lacey, Program Chairman.

E. F. Hutton Conducts Seminar on Commodities

In response to numerous requests for enlightnment on the hedging and trading in commodity futures markets, the brokerage firm of E. F. Hutton & Co. is currently presenting a seminar on the subject to a capacity audience at its branch office, 650 Madison Ave., New York City.

Four evening sessions of two hours each are being conducted by a member of Hutton's commodities division, John W. Clagett, He formerly was President of the New York Mercantile Exchange and, prior to that, assistant to the president of the Chicago Board of Trade.

The lectures are presented as a public service to investors. They are designed to assist executives of companies dealing in products traded on futures exchanges and to offer new opportunities to speculators who are interested in capital gains and possible tax savings.

Among the topics being discussed are types of contracts, operations of Exchanges, mechanics of trading, hedging practices, rules for speculating, use of charts and opportunities for tax savings.

New Hentz Branch

SWAMPSCOTT, Mass.—H. Hentz & Co. has opened a branch office in the Ocean House Hotel under the direction of David Weisman.

COMING EVENTS

IN INVESTMENT FIELD

June 7-11 (Ponte Vedra, Fla.) Southern Group of Investment Bankers Association meeting.

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 8, 1961 (New York City) STANY Bowling League annual dinner at Whyte's, 344 West 57th Street.

June 9, 1961 (Philadelphia, Pa.) Investment Association of Philadelphia annual outing at the Philadelphia Cricket Club, Flourtown, Pa.

June 9, 1961 (New York City) Municipal Bond Club of New York annual meeting and outing at the Westchester Country Club, Rye, N. Y.

June 9-11, 1961 (San Francisco, Calif.) San Francisco Security Traders Association annual Spring Outing at the Sacramento Inn, Sacramento, Calif.

June 12-13, 1961 (Montreal, Canada) Association of Canadian Schools of Commerce and Business Administration Fifth Annual Conference at Sir George Williams University, Montreal.

June 14-15, 1961 (Minneapolis-St. Paul, Minn.) Twin City Bond Club 40th annual outing at the White Bear Yacht Club, White Bear Lake, Minn. June 15; preceded by a cocktail party June 14 at the Nicollet Hotel, Minneapolis.

June 15-16, (Kansas City, Mo.) Kansas City Security Traders Association summer party—cocktail party June 15 at Hotel Continental; outing June 16 at Meadowbrook Country Club.

June 16, 1961 (New Jersey) Bond Club of New Jersey spring outing at Upper Montclair Golf & Country Club.

June 16, 1961 (New York City) Investment Association of New York annual outing at Sleepy Hollow Country Club.

June 17, 1961 (Milwaukee, Wis.) Milwaukee Bond Club annual outing at Oconomowoc Country Club, Oconomowoc, Wis.

June 17-20, 1961 (California) California Group of Investment Bankers Association annual conference at Santa Barbara, Calif.

June 22-25, 1961 (Canada) Investment Dealers Association of Canada annual meeting at Jasper Park Lodge, Jasper, Alta.

June 23, 1961 (Boston) Women's Municipal Bond Club annual outing at the New Ocean House, Swampscott, Mass.